

A close-up, low-angle shot of a car's front wheel and tire, showing the tread pattern and the hubcap. The background is a blurred garage setting with red equipment.

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BY **MIKE MANGES**
EDITOR OF MODERN TIRE DEALER

MORE FROM MTD'S TIRE DEALER SURVIVAL GUIDE

Experts share best internal, external practices
for continued success

Like most of your peers, you — as an independent tire dealer — have numerous concerns and priorities, both internal and external, as you strive to grow your business and increase your profitability in a hyper-competitive, ever-changing market.

For the last several years, MTD's Tire Dealer Survival Guide has served as a popular resource for tips, advice and best practices shared by content matter experts — with the goal of helping your dealership continue to thrive.

In this Tire Dealer Survival Guide “greatest hits” compilation, Mike Townsend, retail tire sales coach and owner of Townsend Strategies, shares ways that your salespeople can create a superior and repeatable experience for your customers. “You are never too busy to develop — and deploy — a robust customer experience process,” he writes. “And the sooner you start, the better.”

Taking a more internal focus, Bill Ford, president and CEO of SESCO Management Consultants, which has advised countless independent tire dealerships on human resource and employee relations issues, discusses how you can use your company's employee handbook to establish employee expectations. “The employee handbook is the cornerstone of the employee-employer relationship,” he says.

Is balancing your time, attention and energy a growing challenge? Greg Ring, founder of GR Consulting LLC and

an executive-level tire industry consultant, provides advice on how you can manage these elements to “create long-lasting value — not just for your dealership, but also for you and your family. Managing your time, attention and energy is essential to meeting your business and personal goals,” he writes.

Text messaging has become a common mode of communication in business. Are you fully leveraging this powerful tool at your dealership? Baker Ghanim, digital marketing expert and president of Bedford, Texas-based Ghanim Group dba Tire Store Service Center, offers easy-to-implement tips that you can tailor to the specific needs of your business. “It is important to use the appropriate text messaging method that caters to your shop's unique requirements,” he writes.

And last but not least, tire dealership mergers and acquisitions expert Michael McGregor, a partner at Focus Investment Banking LLC and a monthly MTD columnist, has some real-world, no-nonsense advice on how to keep your deal alive when selling your company. This is a must-read if you're thinking about exiting your business, either sooner or later. “One of the primary reasons for letting a deal drag out can often be traced to the lack of preparation by sellers before they enter the process,” he writes.

We hope you find this compilation of Tire Dealer Survival Guide articles to be useful!



Your margins will be higher if you implement a defined, repeatable customer experience process. One reason is that you will have less customer turnover and less employee turnover. *Photo: VIP Inc.*

When customer service isn't good enough

How to deliver a superior, repeatable customer experience

BY MIKE TOWNSEND

Some tire dealerships provide “customer service.” Other tire dealerships provide what I call a “customer experience.” What does your dealership offer? Before we dive in, let’s first determine the difference between a customer experience and good, old-fashioned customer service.

The short definition of customer service is “making sure your customer is happy.” For example, the customer comes in for an oil change and a tire rotation and you perform the services requested. The customer pays and you hand over the keys.

Most tire dealerships in North America can do this in their sleep, but here’s the problem.

In a traditional “customer service” transaction, the customer will not tell anyone about you unless someone proactively asks them to recommend a good place to buy new tires or get their oil changed.

In other words, the customer will not “sell” other people on your dealership and the customer service you provide. Furthermore, if someone else delivers a pitch praising one of your competitors and that competitor happens to provide a consistently superior customer

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experience, that potential new client will most likely be convinced to try your competitor.

Why? Because of the passion of the original customer, who has engaged with your competitor in a memorable, meaningful and measurable way. (More about that at the end of this article).

I have a good friend and former client who owns seven tire stores. He told his managers one day, “We are not competing against other tire dealerships as much as we are competing against the experience that our

customers get at every Starbucks and Chick-fil-A. The old-fashioned ‘Can I help you?’ doesn’t work anymore.”

I must agree with my friend. You need to understand the difference between delivering customer service and delivering a customer experience.

How is “customer experience” defined? Simply put, it’s how customers perceive their interactions with your company. It’s not what you think. It’s not what the manager of your store thinks. It’s what the customer thinks.



Your employees have the power to create an experience that is so memorable that the customer will not allow a competitor into their brain — no matter what sale or discount they see. *Photo: VIP Inc.*

I have spoken with countless tire dealers who have scratched their heads, wondering why their stores do not grow at the rate they thought they could — or should.

These dealers were not delivering a consistent, superior customer experience. How about your dealership? Ask yourself the following two questions:

1. *First, do I have it?* As you analyze your own business, it's important to know if you have a customer experience process that can be delivered every day. If a customer is not asking members of your counter sales team the following question — “Are you the owner or one of the owners of this business?” — at least 30% of the time, you most likely do not have a defined and/or implemented customer experience process that is repeatable.

If customers are not asking the above question regularly, you most likely have some work to do in order to develop a repeatable customer experience process that can be executed with every customer, every time.

Also, ask yourself, “Are my people creating such a memorable experience that my customers will immediately go out and tell three to five other people about it?” Again, if the answer is “no,” you have some work to do.

2. *What should I do if I realize that I don't have a consistent customer experience process?* Hire an expert to assess the experience your dealership is currently delivering via phone, as well as in person. This usually is not expensive and has a very strong return on investment. Why? Your people will always engage with a customer the right way when you are around. You have to measure and evaluate through a third party if you want the real story.

As mentioned before, a superior customer experience should be memorable, meaningful and measurable. And it should be repeatable.

That experience is always based upon the customer's perception of your business, as well as how those customers interact with your business and employees.

Your employees have the power to create an experience that is so memorable that the customer will not allow a competitor into their brain — no matter what sale or discount they see.

But you have to be intentional about how you engage with every customer. You must engage in those ways that matter most to them. And I assure you, engagement is not driven by price.

Putting this into practice takes a lot of time and effort.

Chick-fil-A gives its employees detailed instructions and training on how to speak, smile and ask questions in every single customer engagement, as if they are performers on a stage. Ritz-Carlton teaches its people to make an impact on guests with meaningful interactions like name recognition and engaging with customers as a “servant.”

When your employees do the same, your advertising costs should go down and your sales should go up.

FOUR GOOD REASONS

You might be thinking, “What's the big deal? Why is it so important that I implement a customer experience process at my dealership?” I'll give you four compelling reasons:

1. Your margins will increase. Publix Super Markets, one of the most successful supermarket chains in the country, has a defined, repeatable customer experience process and its profit margin is almost double that of its competitor, Kroger.

Your margins will be higher if you implement a defined, repeatable customer experience process, as well

One reason is that you will have less customer turnover and less employee turnover. And you will keep your

employees longer because they will be happier now that they have been equipped to create the best buying experience for your customers.

Most businesses fail to deliver a superior customer experience because their employees are unhappy or are unwilling to adopt the processes that are needed to create an amazing experience, based on each customer's needs.

2. You will create brand ambassadors. This is different than traditional word of mouth marketing. Brand ambassadors are what have helped brands like Chick-fil-A, Apple and Disney achieve their market dominance. And yes — each company listed above has a repeatable customer experience process.
3. Your business will be worth more with a customer experience process in place. If in doubt, check out the stock performance of those companies that provide a superior customer experience process. A customer experience process also will help ensure the sustainability of your business long after you have retired or moved to another project.
4. Trust from all of your customers will increase. When customers perceive that you are serving them through a robust customer experience process, endorphins release that cause them to feel how much you really care about them and how you keep them safe on the road. This has been proven numerous times. We all know that when we trust the people we buy from, everybody wins.

Implementation of a customer experience process can be difficult because it requires a willingness to change. Change is difficult for some people because the other side of that coin is tension.

Most of my clients are glad they endured the tension of change in order to implement a superior customer experience process.

Also, implementation of a customer experience process can be fun and should be fun. When your people see the reaction of customers and how much easier those customers are to deal with, they will be all-in. And finally, why should you invest in developing a customer experience process now? You might be thinking, "I am already busy enough."

The truth of the matter is that you are never too busy to develop — and deploy — a robust customer experience process. And the sooner you start, the better.

Mike Townsend is the owner of Townsend Strategies, a sales coaching and leadership coaching business. He has 30 years of sales experience — half of them in the tire industry. As a Six Sigma black belt and professional trainer, Townsend says he "has witnessed every scenario and heard every objection in the retail tire environment." He also recommends using a voice-of-the-customer survey to find out what people really think of your business. "There are two questions you need to ask," he says.

For more information, email Townsend at mike@townsendstrategies.com.



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¹No Credit Needed means that your customers may be approved without their credit score being the sole consideration for qualification. However, their credit may be checked, including their credit score. New and Returning Customers may be approved for amounts of \$300 - \$7,500. Terms and conditions subject to change at any time without prior disclosure or notice.



The employee handbook can — and should — be your organization's "winning edge," projecting a favorable image of your company.

Photo: GettyImages-1096393188

Words matter

How to use your employee handbook to set expectations

BY **BILL FORD**

Should your organization have an employee handbook? This question has been debated by business owners and attorneys over the course of many decades.

If you, as a business owner or manager, are receiving advice from an attorney or an outside advisor that your organization is either too small to have an employee handbook or that you shouldn't put anything in writing, seek more contemporary counsel immediately!

It is critical, now more than ever — regardless of your dealership's size and number of employees — that you develop an effective, compliant employee handbook. It

is vitally necessary in today's regulatory and competitive environment that you do not attempt to operate without a clearly worded, up-to-date employee handbook.

CLEAR AND CONCISE

The employee handbook is the cornerstone of the employee-employer relationship. Many years ago, when hiring an employee who would likely stay with you until retirement, you could say, "Come to work, do a good job and we'll take care of you." This is no longer the case, especially with younger employees, who are now shopping employers and are asking, "What's in this for me?" before and during the job interview.

If you cannot clearly articulate, in writing, your organization's culture, values and employment offerings in a very proactive and professional way, you are fighting an uphill battle.

The employee handbook is a basic, written publication that is designed, published and distributed for the purpose of providing employees and their family members with two major pieces of information:

1. What employees and their families can expect from your organization;
2. In return, what your organization expects from its employees.

Between the covers of a well-written, published employee handbook, these two things should be addressed clearly and honestly.

Although face-to-face and one-on-one employer-to-employee communication is essential to establishing and maintaining your management credibility, it is too easy for verbal explanations given by management to be forgotten, misunderstood or misinterpreted.

As such, it is critical that you put in writing all the details, facts and procedures that concern both employees and their families. Such written policies reinforce your intent, as well as the practical understanding of the benefits provided to employees, the standards of performance you expect, safety and health rules and other basic policies and procedures.

By establishing this information in an employee handbook, you can measurably improve communication, which is the hallmark of any successful business organization — again, no matter what size.

BENEFITS FOR EMPLOYEES

What are the advantages of an employee handbook to your valued employees?

First, the employee handbook should not have the tone or intent of a “legal” document. Be very careful about having an attorney prepare your employee handbook, as the last message you want to send to employees is that this document is a legal tool designed to protect management and your organization.

A well-written employee handbook will send a very positive message of promoting the advantages of employment to your associates and their families.

The following are the major advantages of having a current, clearly stated employee handbook:

- An employee handbook provides new employees with their first employee education and orients them to what is expected of them in terms of on-the-job performance.
- An employee handbook provides the new employee's family with a basic understanding of all employee benefits available to the employee and their dependents, and also of the eligibility and waiting period necessary before certain benefits become effective.

By communicating your company's employee benefits program in dollar value and the eligibility of those benefits, the handbook helps both your organization and the employee's family begin developing a positive, favorable working relationship.

When members of the new employee's family have read the handbook, they should come away with a favorable first impression of the organization.

A HANDY RECRUITMENT TOOL

In addition to serving other functions, an employee handbook can be an important, useful tool in attracting desirable new employees during the employee recruiting process.

In this profession, labor markets are extremely tight and highly skilled, productive employees are difficult to locate and attract.

UNDERSTANDING CONSISTENCY AND CREDIBILITY

Four ways an employee handbook can benefit you

The following are four important benefits for tire dealerships that have an up-to-date, published employee handbook:

1. An employee handbook promotes understanding of organizational human resource policies and benefits.
2. An employee handbook promotes consistency and management credibility. The handbook protects the owner of a business from himself or herself. It also replaces “case-by-case” management, which creates inconsistencies and the perception of unfairness in the workplace.
3. An employee handbook saves valuable time and management operating costs. It will have answered many critical questions versus brainstorming or handling questions as they arise.
4. An employee handbook documents your fair employment practices and compliance with laws. The handbook is written, good-faith evidence that your organization is committed to fair employment practices and equal employment opportunity for current and future employees.

When responding to an unemployment claim, a discrimination charge, a harassment charge, a wrongful termination lawsuit or a fair employment practice case, if you cannot produce policy supporting disciplinary action up to and including termination or your intent to comply with federal and state employment regulations, you will likely lose the case.

Employment-at-will or right-to-work laws are not a defense to any wrongful employment claims. Never answer any challenge with, “We are employment-at-will.”

The agency, attorney or state/federal government official will disregard this response and make the assumption of “guilt.”

The employee handbook can — and should — be your organization’s “winning edge,” projecting a favorable image of your company by its description of what the prospective employee may expect in terms of working conditions, employee benefits, performance standards and other things. A well-drafted employee handbook also can provide employees with a sense of self-esteem and job security.

Your employee handbook can support a motivating workplace environment because it serves as tangible proof to employees that management does care about them. The contents of an effective employee handbook can provide employee recognition and appreciation through its writing style, content and format.

Your handbook should be drafted in such a way that it clearly tells your employees that they are essential and important to your organization’s continued growth and operating success.

In addition, your handbook can create the favorable impression in the minds and hearts of your employees that your organization values their suggestions and constructive feedback about how it can be even more productive and profitable.

IS YOUR BOOK COMPLIANT?

The reality is that most organizations do have some sort of employee handbook. However, many organizations have either only downloaded an example from the internet or have copied an employee handbook provided by

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a friendly competitor. Others may be using an outdated, in-house manual. Frankly, any company that has implemented an employee handbook in one of these manners is better off not having an employee handbook at all.

In today's regulatory environment, both from a federal and state standpoint, it is critical that your employee handbook be reviewed and updated at least annually. Employment regulations are changing rapidly, especially from a state law standpoint.

More and more states are adopting and implementing their own regulations to include minimum wage, paid sick leave, substance abuse regulations and others. As such, it is critical that your employee handbook be developed compliantly and with attention to critical regulatory matters.

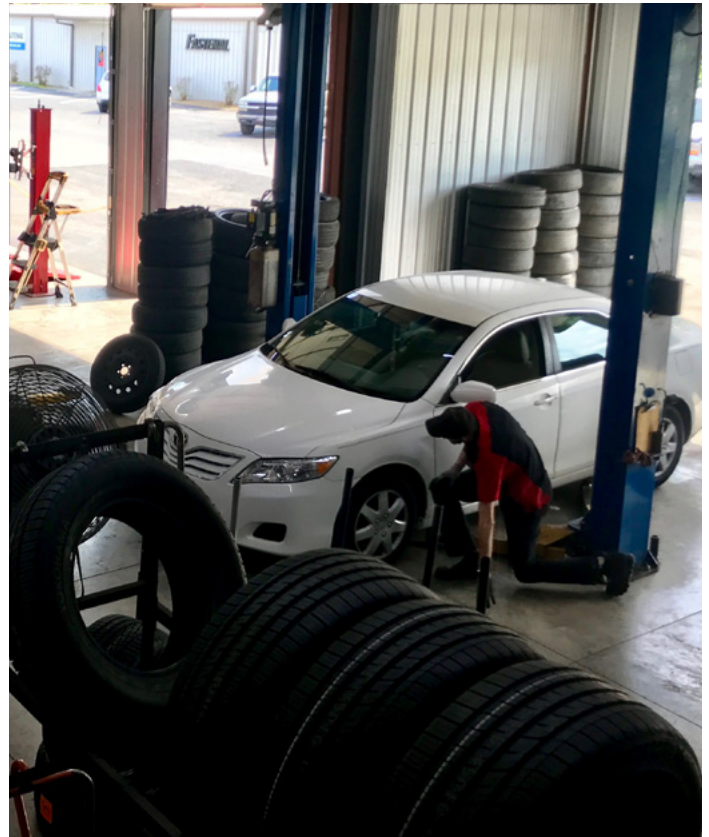
NEED-TO-KNOW BASIS

The reality is that it isn't feasible for every employment-related topic to be addressed in an employee handbook. It would be too confusing. However, it is critical that you prioritize the following:

- The history of your dealership;
- Harassment policies and penalties;
- Equal employment;
- Confidentiality and intellectual property;
- Use of social media;
- Use of computers and cell phones;
- Paid time off (PTO) details, including accrual;
- PTO pay-out procedure at the time of separation or termination;
- Workplace violence policy;
- Open-door policy;
- Progressive discipline policy;
- Substance abuse policy;
- Damage to customer and organization vehicles.

Always keep in mind that employee handbooks aren't worth the paper they are printed on if employees don't appreciate their goodwill intent.

Ensure your employees know that this manual has been



A well-written employee handbook will send a very positive message of promoting the advantages of employment to your associates and their families. *Photo: Eagle Tire Pros*

developed for them and their families and that they should regularly use it.

If your employee handbook is not current, then it becomes a liability to your organization.

Bill Ford is the president and CEO of SESCO Management Consultants, the oldest human resource and employee relations consulting firm in America today. SESCO has been authoring employee handbooks and personnel policy manuals for most of its history. SESCO has authored "How to Develop a Personnel Policy Manual" Sixth Edition and "How to Develop an Employee Handbook" Second Edition, both of which are best-sellers. Ford can be contacted at (423) 764-4127 or bill@sescomgt.com.



Being thoughtful about how you invest your time, attention and energy makes all of your other personal and business assets possible.

Photo: 54278453 | Gaudilab | Dreamstime

How to manage your time, attention and energy

Are you investing these assets in ways that promote business and personal growth?

BY GREG RING

When many of us hear the term “investment strategy,” we think of personal finance. As a business owner, the three most valuable personal assets you use and invest in each day are your time, attention and energy.

It may sound simple on the surface, but managing these assets will create long-lasting value — not just for your dealership, but also for you and your family. Being thoughtful and intentional about how you invest your time, energy and attention makes all of your other personal and business assets possible. It all starts here.

Each day when you wake up and your feet hit the floor, these assets are yours and yours only. Only you

can decide how you choose to invest them. At night, when you go to sleep, these personal assets have been depleted. And while these assets are finite, they are renewable. You get a fresh supply each day.

Thinking of time, attention and energy as your most valuable assets might require a mindset change. For starters, do you have enough time in the day? The idea of successful multi-tasking is a myth. If you do three things at once, you can only give a third of your attention to each thing. Your energy is fixed. What are your priorities and what is truly important to you?

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TIME. There have been thousands of books published about time management and there is an entire industry focused on teaching people how to better manage their time. One of my earliest and most memorable lessons in time management occurred when I missed an assignment to submit a one-page update to my boss. When he asked why, I gave a terrible excuse. I told him, “I did not have the time.”

My boss, who was skilled at teaching in the moment, referred to our wristwatches and reminded me that we both had the same amount of time. He recommended that I never use that excuse again if I wanted to keep the excellent job I had and reach my full potential. He remains a great friend to this day and oddly, does not remember teaching me this lifelong lesson.

Time is the one constant you never need to question because it never changes. Here are a few things to consider:

Do not allow yourself to make excuses. If someone else is getting more out of their time, ask questions about how they are more efficient and learn from them. And be on time, no matter what. You know it’s important to be on time in your business life. Make it your business to also be on time for family commitments. If you say you will be home for dinner at six, keep that commitment — just as you would for an important meeting with a customer or a supplier. There are two types of people in this space — those who are on time and those who are late.

You only can manage how you invest your time. If you want to improve your health and reach your personal fitness goals, simply wake up 30 minutes earlier each day. No excuses! If you want 30 minutes a day to meditate, drink coffee or generally have some quiet time, just get up 30 minutes earlier. Remember that you have the time. It’s up to you how you invest it.

If you say yes to something, you automatically say no to something else. It is OK to say no to things that will take your time

and not move you any closer to your goals. Be as careful with your time as you are with your money.

Keep a journal for two weeks, tracking your time in 15-minute segments. After two weeks, carefully review and make additions and deletions, as needed. Are you supporting your priorities in how you invest your time? If not, make changes.

Finally, manage your time carefully. Make time to support your top priorities. And don’t forget to reserve time for family, friends and fun. Have you always wanted to hike through a national park? Pack a bag and get moving! Stay in balance.

ATTENTION. Distractions are everywhere. News outlets want your attention. Advertisers want your attention. Your personal devices want your attention. Microsoft once conducted a survey that I like to call “the goldfish study.” It revealed that since 2000, the average person’s attention span has gone from 12 seconds to eight seconds. A goldfish has an attention span of nine seconds!

The U.S. Army War College in Carlisle, Pa., teaches top military officers important concepts regarding attention and focus. They teach to first “zoom out before zooming in.” In this case, the goal is to review your stated priorities, get the big picture and then zoom in with laser focus to achieve your goals. Here are some attention investment tips:

Be always fully present with others. Do not glance at your cell phone or watch. If you’re talking with somebody, let the phone ring. Developing the discipline to manage your attention will build relationships and produce more effective results.

Zoom meetings will not be going away anytime soon. Leave your camera on and stay involved. You have most likely observed a good meeting facilitator call on a participant who has been off-camera or muted for a good share of

the meeting. Being non-attentive is a poor reflection and will delay goals.

Also remember that multi-tasking is doing several things at the same time, with each getting a share of your attention. Giving your tasks full attention is faster and provides higher-quality results with fewer mistakes.

And lastly, listening, asking questions and staying engaged makes you much more effective and supports your time investment.

ENERGY. In business and in life, there are two sources of energy – you either make your own or you catch it from other people. Like your other personal assets of time and attention, your energy is finite each day and needs to be protected and carefully used.

Have you ever had a long, challenging day but arrived home feeling satisfied and energized because you completed a project or made progress on something important? Or maybe you arrived home tired and frustrated after spending the day running in circles, chasing unimportant details and never really completing the important tasks on your list?

The difference in how you felt and what you accomplished boils down to how well you protected and used your energy. In Jon Gordon's book, "The Energy Bus," he explains the concept of energy vampires. They can be friends or co-workers who have a way of surrounding you and then draining your energy. Gordon recommends being kind to these people, but not hanging out with them. Protect and prolong your energy by spending time with positive-energy people. Some energy investment tips include:

Build some flexibility into your schedule. Unexpected needs and issues naturally come up and will need your time, attention and energy.

Take on large projects with a detailed, daily work plan to avoid energy meltdown. Be disciplined with respect to your work-day and start fresh tomorrow. Take things one at a time.

Take breaks and ask for help. Get outside and take a walk to get the blood flowing and recharge your energy. Twenty minutes in the sunshine can do wonders for your energy and creativity. And when you need help, ask for it. Others can help you get through a challenge and that can help recharge your energy and attitude.

Remember that nutrition and exercise are necessary for strong and consistent energy. Again, there are thousands of books on these subjects. Do your homework, develop a plan and follow it. Start with small changes and you may be surprised at how soon you will feel more energy. Keep a healthy balance of work and home. And make it a priority to get the right amount of rest.

Managing your time, attention and energy is essential to meeting your business and personal goals.

Greg Ring is an accomplished, executive-level professional with more than 20 years of tire industry experience in the areas of organizational development, corporate sales, management, leadership and public speaking. He has worked with all levels of organizations, including C-suite executives at Fortune 100 and Fortune 500 companies. Ring can be reached at GR Consulting LLC via h.greg.ring@gmail.com.



"Since text messages are more personal and less formal, they are more likely to be read than emails," says Ghanim. *Photo: Getty Images*

How to drive more business through texting

Getting started, creating campaigns and more

BY BAKER GHANIM

Text messaging has been a game changer for our eight-location tire dealership. And it could be a game-changer for your business, too.

In the tire industry, we're fortunate to have our customers' phone numbers — unlike many other industries that need to incentivize customers to share their numbers to communicate directly with them about new products, services and marketing campaigns or to drive business on certain days or at specific times.

Over the years, we have found that there are several built-in advantages to communicating with customers via text messages.

First, texting is inherently personal. It's a casual form of communication that allows individuals to use emoticons, use informal grammar and more, thus making customers feel more comfortable.

And since text messages are more personal and less formal, they are more likely to be read than emails. According to TechJury, nearly 100% of people who receive marketing text messages are likely to open them. In contrast, only 20% of email recipients may read them.

Secondly, text messaging allows customers to control the pace of the conversation. They can respond when they have a moment — whether they are at work, completing a

task or engaged in another conversation. When communicating with customers by text, we always ask them to call us at their convenience, especially if we know they are busy. Text messaging also does not require formal greetings, perfect grammar or long paragraphs. The casual writing style makes it easier and faster for both you and your customer. And text messages are automatically saved and easily accessible for future reference.

Lastly, text messaging is cost-effective. You can even start today by simply using a personal phone.

GETTING STARTED

Although text messaging is a tool that can help you achieve great and open communication with your customers, it is important to use the appropriate text messaging method that caters to your shop's unique requirements. And it is vital to keep in mind the principles of building trust with your customers, while providing them with valuable information and maintaining a personalized conversation. Here's a look at the advantages and in some cases, disadvantages of various options.

The first option is to use your personal number to send text messages to your customers. While this may seem like a convenient option, it can be problematic because it means sharing your personal number with customers, which can lead to after-hours interruptions and difficulties separating work from personal life.

A second option is to download the Google Voice app on your personal phone, which provides a free dedicated phone number for text messaging and calling customers without sharing your personal number. This option is more secure than sharing your personal number, but it has two main issues. First, messages sent and received cannot be seen by the rest of your team and they are not sent from your shop phone number.

A third option is upgrading your landline to a digital line, which can provide you with a more versatile solution. With this option, you and your team can make and

receive calls and text messages from the same number using either a traditional phone or a mobile device. Additionally, you'll have access to features such as automatic call recording, call transferring and internet faxing. RingCentral, for example, offers a digital line service for less than \$50 per month. By switching to a digital line, you may be able to offset the cost by canceling your current landline.

The best option for text messaging customers is to use a shop management system that offers this functionality. This eliminates the need to manually type phone numbers and allows you to set up preloaded messages. With a shop management system, like our system, oTo Grip, your team can easily communicate with customers in a seamless manner. You can send and receive text messages and ensure that the right message is sent at the right time — improving your overall customer satisfaction and retention.

TEXT MESSAGE CAMPAIGNS

Effective communication with customers is essential for any service-oriented business. We break down text communication into four categories: pre-service, during service, after service and campaigns.

In pre-service, we use text messaging to engage customers and make it easier for them to do business with us. We send them the shop address and our name to help them find us easily. We also use text messaging to share tire options and prices and to let customers know when their tires have arrived. And we use text messaging to follow up with customers if they don't show up for their appointment.

During service, text messaging helps us maintain an open line of communication with our customers. With modern shop management systems like oTo Grip, we can send quick updates about work in progress, let customers know when their vehicle is ready for pick up, or send them a picture of an issue spotted during inspection.

After service is where we have the opportunity to follow up with our customers. Our system, oTo Grip, suggests

sending an “after-sale message” to thank customers for choosing our tire store and asking for their feedback. This message includes a link to our Google review page and a phone number to contact our district manager to discuss any concerns. This simple message has doubled our rate of five-star Google reviews and has given us the chance to rectify any negative experiences, while improving our overall customer experience, business process and business success. oTo Grip keeps track of these messages, so that we don’t overwhelm customers with too much communication.

Finally, dedicated text message campaigns can be an effective way to engage with your customers and drive business growth. However, campaigns generally require registration with a compliance agency to ensure that you are following all legal and privacy regulations. Luckily, there are companies out there that specialize in these campaigns and can handle all the necessary requirements for you.

After you’ve selected the option you believe will work best for you, there are several factors to consider when designing text message campaigns.

FOLLOW THE SCRIPT

How to respond to customers after the sale

“After service, we love the opportunity to follow up with our customers,” says Baker Ghanim, president of Bedford, Texas-based Ghanim Group dba Tire Store Service Center. “Our system, oTo Grip, suggests sending an after-sale message to thank customers for choosing our tire store and asking for their feedback. This message includes a link to our Google review page and a phone number to contact our district manager for any concerns,” says Ghanim, who adds that the message has doubled the dealership’s five-star Google reviews “and has given us the chance to rectify any negative experiences — improving our overall customer experience, business process and business success.

“Our after-sale message reads, ‘Hi John, thank you for choosing Tire Store Service Center.

Your satisfaction is our top priority and we appreciate your business. We would love to hear about your experience and encourage you to share your feedback with others by leaving a review. Your positive feedback would not only help us improve our service, but also help others find us.’

“‘However, if there was anything that did not meet your expectations, please do not hesitate to contact our district manager at (469) 312-0963 via call or text. We are committed to resolving any issues and ensuring your complete satisfaction. Thank you again for your business and we hope to see you soon.’”

Ghanim adds that oTo Grip keeps track of messages sent to prevent customers from being overwhelmed by too many text messages.

TIRE DEALER SURVIVAL GUIDE

First, it is imperative to obtain consent from your customers and provide them with the option to opt-out at any time by replying with STOP.

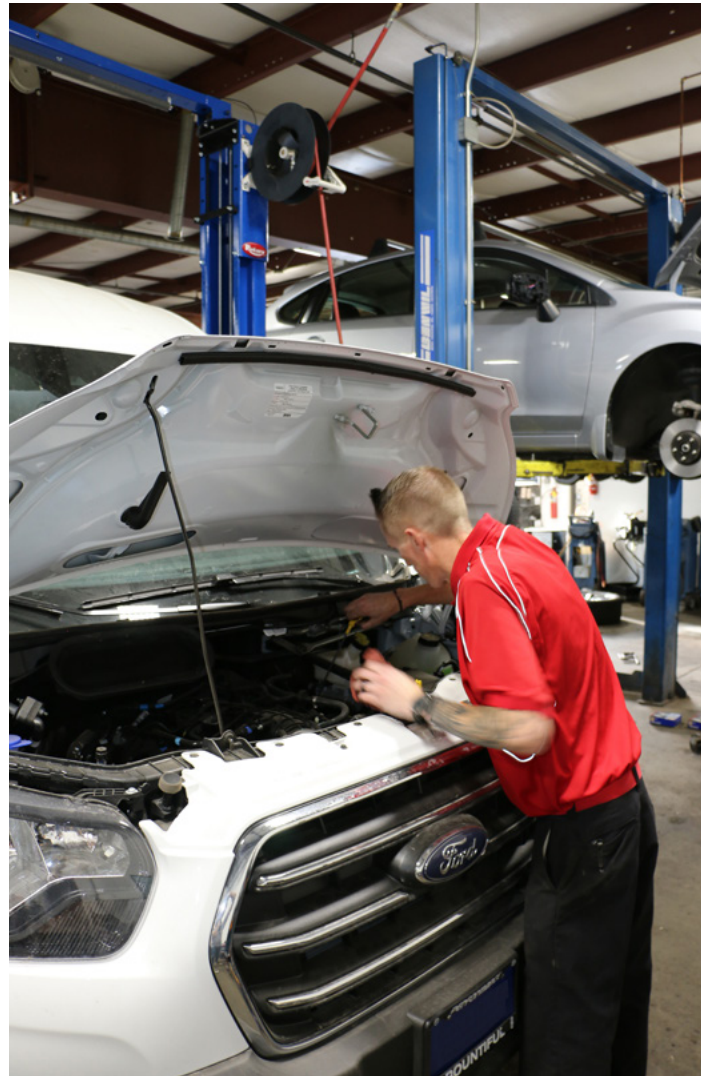
Second, we recommend limiting the frequency of your campaigns to no more than once a month in order to avoid overwhelming your customers. By adhering to these guidelines, you can effectively execute text message campaigns and achieve optimal results.

Providing valuable information also is key. The most successful campaigns we have observed typically integrate multiple value propositions to maximize their effectiveness. (My favorite text messaging campaigns are those that offer value or reminders to customers while remaining personal. This could be something as simple as a quick message reminding customers to check their tire pressure before a cold front or offering a discount on a safety inspection they got the previous year.)

For a successful campaign, it is crucial to personalize your messages by addressing your customers by their name and sending relevant messages at the appropriate time. Promptly responding to customer inquiries is also vital in maintaining good communication and establishing trust. By taking these steps, you can enhance the overall customer experience and foster lasting relationships with your customer base.

And don't forget to solicit feedback, opinions or suggestions. One effective strategy is to ask for customers' input on new products or services you're considering, such as opening or closing your store on a certain day of the week.

My team has successfully implemented all of the above techniques and continuously adapts and learns as communication methods evolve. When you follow these best practices, utilizing text messaging as a tool for customer engagement can be incredibly effective in growing your business.



Texting with customers can be valuable before, during and after service. In the midst of a service repair, a shop can send quick updates about work in progress or send a photo of an issue spotted during inspection. *Photo: Ben Borchert*

Baker Ghanim, president of Bedford, Texas-based Ghanim Group dba Tire Store Service Center, has created a retail point-of-sale system, oTo Grip, that utilizes texting. He can be reached at baker@tirestoretx.com.



“When selling your business, double down on being aggressive in generating revenue and producing profit,” says McGregor. *Photo: MTD*

How to keep the deal alive when selling your business

Four big mistakes to avoid

BY MICHAEL MCGREGOR

As one gets older, the thought of death seems to come up more often. At least it does for me. It’s not just the human deaths I find regrettable and tragic, but it’s company deaths, as well.

I have lived long enough to have seen huge projects that were initiated at the start of my career in the early 1980s rise and fall to their deaths decades later, including projects like Saturn, which was developed by General Motors.

I first read in 1983 in *The Wall Street Journal* about how Saturn was going to revolutionize the car business. Their first car came off the assembly line eight years later in 1991. The company grew and expanded into a

full product line, but the credit squeeze of 2008 put them in the grave.

Likewise, the first Circuit City store I visited was in the early 1980s on a tire company business trip to North Carolina. That’s about the time Circuit City officially changed its company name and went public. Like Saturn, Circuit City grew nationwide steadily, then peaked, circled the drain and died around 2009, when it was liquidated.

Smaller companies are no less vulnerable to extinction. Having less capital to weather tough economies, keep up with the competition, overcome bad decisions or embezzlement — it happens to tire dealers more often than you think — can kill a company fast.

Heck, stepping off a curb and getting hit by a bus can do the same when a business owner is the driving force behind the company. It can all fall apart if there's no succession plan or if the next generation is not willing to step up.

So when a decision is made to exit, make it happen. Don't waste everyone's time with a half-hearted effort. Go all out, but don't make a dead deal.

That's why I thought that avoiding the mistakes that cause dead deals makes a perfect topic for MTD's Tire Dealer Survival Guide.

The best place to start is to understand why deals die. In a recent edition of my monthly MTD column, I reported some statistics from Axial's "Dead Deal Report." A private deal network that covers the lower middle market in the United States and Canada, Axial investigated 47 transactions across a variety of industries. In each deal, a letter of intent to purchase a business was signed by both a buyer and seller. And in each situation, for some reason, the deal did not close.

Overall, 49% of the deals died for financial reasons and 51% died for non-financial reasons. Drilling down into specifics, 19% of the deals died because the transaction couldn't get financed; 17% died because the quality of earnings report, which is typically funded by the buyer, came back with substantially lower EBITDA; and 12.8% of deals died because there was a "valuation misalignment" between a buyer and a seller.

Looking at non-financial reasons, 17.1%, of deals died because the "seller backed out." Another 17% of deals died for non-financial reasons discovered in due diligence. And the last category is the catch-all "other" at 17%.

The biggest thing to avoid when making any deal is to let the deal drag out. This is a cardinal sin in my business. Too much time kills all deals.

One of the primary reasons for letting a deal drag out can often be traced to the lack of preparation by sellers before they enter the process. A recent survey of investment bankers on the Axial platform found that fewer than 25% of sellers are prepared to sell when they go to market.

From what I've seen, lack of preparation manifests in some of the following ways:

- Lack of shop cleanliness and organization of financial statements;
- No succession planning and nobody to perform the owner's functions after the owner leaves;
- Owners not understanding their own financial records, nor the condition of their assets and customer base;
- Slow responses to buyer information requests, and;
- Not having fair market rent on the property or properties involved in the business.

**LETTING YOUR BUSINESS
TURN DOWN AS YOU ARE
IN THE MARKET IS THE
NEXT BIG MISTAKE.**

Letting your business turn down as you are in the market is the next big mistake. Buyers are skittish, particularly with businesses they are unfamiliar with.

While strategic buyers may know your business better than financial buyers, both really don't know your exact market or the peculiarities of how you operate your business. They make an offer based on what your business has done over the last year, expecting that it

will continue. If, as things progress, they start to see softness in your sales and profits, that will scare them. You can expect to have a discussion on this matter and you might see a haircut on the valuation, as well.

There is one very simple way to avoid this. Do not take your eye off the ball. Double down on being aggressive in generating revenue and producing profit. The easiest thing to do is to develop new sales and profit incentives that align with the results that buyers want to see. Don't hide the incentives from your buyer. Be transparent about them. There is nothing at all wrong in doing this.

The third biggest mistake is a combination of issues that all result from a lack of familiarity with the exit process, but particularly during due diligence. There are so many things that go on in a business sale that there is no way for a seller to know what they are in advance. I always say the seller knows everything about his business, but nothing about the exit process. This lack of familiarity invariably results in the seller riding an emotional rollercoaster.

Frustration can often result over the numerous information requests and the never-ending questions that a seller can mistakenly take personally ("What? They don't trust me?")

A deep dive into the average working capital required in the business is often beyond a seller's financial understanding. Nervousness from buyers about potential environmental issues, customer concentration, the likelihood of lease transfers and the 20 or so representations and warranties a seller will be required to sign are not things a seller thinks about every day, but will certainly have to reckon with.

Not understanding the need for a selling process can result in not going broad enough to comb the market for the best buyer. This can lead to doubts at the closing table and backing out at the last minute ("Can I do better?")

The combined weight of all these process issues once caused a seller I knew to get hospitalized with heart palpitations and shingles. The solution is to get good representation with a team that has done this

before so they can talk you off the ledge every time you crawl out there.

Hiring experienced brokers or investment bankers who know your industry and attorneys who specialize in transactions can help. Certified public accountants are useless here other than for tax planning. (To familiarize yourself on the process, I encourage you to read my book "Buy, Build, Fix, Sell." It's specifically written for tire dealers and available on Amazon.)

The last big mistake to avoid in deals has to do with misrepresenting and trying to hide things from a buyer. I find that the more open and transparent a seller is, the more relaxed the buyer will be. Being forthcoming and honest lowers the perceived risk a buyer has about your business. Being cagey, shading facts and misrepresenting do the opposite.

If you are going to stay on and be involved in the business after the sale and roll over some equity, it's more likely that the buyer is going to do a background check on you.

If they discover stuff hidden in your background that relates to any sort of financial fraud or bankruptcy, they are going to think twice about being in business with you. So instead, build rapport with your buyer by being honest and transparent.

And if bad news comes up, disclose it fast and early and never try to hide it.

In one recent case, my tire dealer client lost a key store manager. We reported it to the buyers right away, along with the countermeasure, and we simply promoted somebody better into that store manager position. Problem solved and the deal moved forward.

Michael McGregor is a partner at Focus Investment Banking LLC (focusbankers.com/tire-and-service) and advises and assists multi-location tire dealers on mergers and acquisitions in the automotive aftermarket. For more information, contact him at michael.mcgregor@focusbankers.com.