



A Dirty Industry Secret: Service Management and Parts Management *Burnout* by Walter J. McDonald, CMC

Service and Parts Managers Say,

“*Burnout* Is Their Number One Obstacle to Top Performance.”

A sinister force in our industry today is cutting down many excellent employees in their prime. The hidden problem is **service and parts management *BURNOUT!*** Many dealer executives tell me the expected time on the job for Service Managers or Parts Managers may be only 3½ to 4 years. Way too short for these very talented people!

I have privately surveyed over 700 Service Managers or Parts Managers in my ***Service and Parts Management Workshops***. About 672 (96%) said *burnout* was a very significant problem for each of them! Results of my survey caused me to further examine this unsettling situation.

Below is a summary of the responses from service management and parts management discussion workshops I conducted during my formal Dealer Management Seminars to identify the causes and possible remedies for ***burnout***.

These responses include conclusions and recommendations for Dealer Principals, Senior Executives as well as for Service Managers and Parts Managers

I suggest you reflect on these responses and initiate policies and procedures to eliminate identified causes of ***burnout***. You surely want to retain excellent employees with so much potential to improve your business.

Causes of Management *Burnout*

Service Managers and Parts Managers said the following were the most frequent causes of management *burnout*. These are some of the job performance challenges service and parts managers said gave them the most problems.

I suggest you review the list and check off any conditions that might exist in your dealership.

- Reactionary decision-making vs. staying ahead of the curve. Too much fire-fighting/ in a reactive mode.
- No sense of personal accomplishment. Inadequate management feedback. No reward or recognition for good work or achieving goals. Only judged on strict monthly budget figures, not operations improvements or other good work. No positive reinforcement.
- Too many job responsibilities. Overloaded.
- Excessively long working hours required to do the job. Not enough vacation time. Lack of personal time to regroup, spend time with family. Poor balance between work and play.
- Taking things too personally.
- Lack of effective supervisory skills. Poor or ineffective delegation skills.
- Poor personal time management. Poor personal organization skills.
- Many complicated factors involved in service and parts management job performance that are uncontrollable: vehicles, building, products, people, industry conditions, market conditions, etc. Many issues are very complex and constantly changing e.g., new product technology.
- Stress from financial accountability, yet, service and parts managers are not provided with adequate training on “how to” remedy poor performance or problem situations. Constant pressure to increase sales/lower cost.
- Forced to respond to unrealistic expectations. Too many goals and many are unrealistic. Pressure to perform yet not enough tools and resources. Held to operating standards and performance, yet not involved in establishing the goals.
- Stress level way too high. For example, sales department makes very unrealistic promises to customers and we are stuck as “bad guys.”
- Inability to get on top of the business: not able to streamline and abstract key information to make good assessments and decisions.
- Being pulled in too many directions. Top management constantly changing priorities. Unclear vision and goals. Lack of established priorities within the management team.
- Too many stressful situations. Always the whipping boy or scapegoat if things go wrong. Always serving as the “complaint” department. Negative attitude and environment. Being required to constantly be in decision-making mode.
- Lack of leadership/supervisory management skills training.

- Failure to grow as a manager and adapt to change. Too fast growth.
- Accountability but no authority. Poorly defined organization. No clear job descriptions.
- Understaffed. Financial constraints that prevent consistent support from adequate staffing and number of mechanics, service secretary, service coordinator, service administration/warranty.
- Unable to spend more time on management problems instead of operations at the transaction level. Not allowed to complete projects before being forced to start another one. Can't say "no."



**Did you notice there was not one comment about compensation?
Compensation does not appear to be connected to the burnout issue.**

Dealer Principal/Top Management Issues that Service Managers or Parts Managers said gave them the most problems on the job. **I suggest you also review the list and check off any conditions that might exist in your dealership.**

- Lack of support from Dealer Principal, upper management. Constant management by crisis.

Crisis ➡ Stress ➡ Burnout.

- Lack of factory support/responsiveness. Making us fall guys for factory problems/product design problems.
- Management override on good decisions. Dealer Principals trying to micro-manage the service department without background in operations management. Lack of empowerment. Poor backing by upper management. Top management stops listening. Limited control of unseen circumstances.
- Top management does not foster interdepartmental team play, building interpersonal relationships. No training on conflict resolution skills. Too many confrontations. No problem-solving procedures or techniques. Must rely on other departments but little control of how they perform.

Customers were also seen as a source of frustration:

- Irate customers or customers with unrealistic demands. Poor customer relations skills. Every customer call is a problem or complaint. We live in an intense business climate. Every down customer situation is always "life threatening." Customers now working 24-7: 24 hours/day, 7 days a week. They expect no downtime.

Personnel issues that cause service and parts managers to have problems:

- High employee turnover. Lack of trained staff. Employee absenteeism.

- Product support employees seem to have many more problems than usual... snowball effect of *burnout*. Tremendous feeling of lack of support. Upper management seems to avoid contact unless there is a crisis.
- Lack of trained staff. Personnel problems. Problem employees. Employees with problems. Reduced headcount, less resources in face of increasing business. Shortage of experienced personnel when attempting to recruit.

Is the Problem Different for Service Managers than for Parts Managers?

I asked workshop participants if *burnout* differed for service and parts managers. Here are some of the discussion team responses.

- It is easier to get parts employees trained than service technicians. And, parts employees can be more closely supervised than field technicians.
- Service is true *burnout*. Parts management can be more related to boredom.
- The Service Manager has more employees to worry about. And, the Service Manager faces many more irate customers who are more vocal and demanding. The Parts Manager has more inventory to worry about.
- The causes of *burnout* are the same for Service and Parts Managers. However, the Service Manager faces more customer complaints. There is more opportunity for error in Service caused by technicians not making repairs properly. And, there is more employee turnover in the Service Department.
- Dealer Principals tend to focus more on Service Operations and take a hands-off approach to parts. The Service Manager has a more hands-on visible position.
- Service Management issues often stem from a lack of leadership or supervisory skills. Parts Management issues more often are related to inadequate analytical skills.
- The problem really doesn't differ for Parts or Service Managers.
- Parts Management is really an analytical job and he/she can take a break and come back to it. However, the Service Manager can't escape responsibility and requirement for immediate decisions when the customer is down. He/she must react properly... regardless of their mental fatigue.

What Can Be Done: Remedies to Reduce Service and Parts Management *Burnout*.

I asked the managers I interviewed what can be done to significantly reduce service and parts management *burnout*. This is what they said. Check off any that might work for you.

- Recognize that *burnout* is a significant obstacle to long-term success.
- Managers must schedule quiet time—no phones or visitors. Have someone screen telephone calls. Designate a time to return phone calls.
- Improve focus, learn to prioritize, establish goals, set targets, plan, build strategies, learn not to sweat the small stuff, allocate time better to critical issues. Identify and keep support staff working on the right projects.

- ❑ Build better relationships with other department managers. Structure team building activities. Work on better communications in all directions. Try not to take things personally.
- ❑ Learn how to turn the switch off between work and family and play. Stay healthy. Get sufficient exercise and eat properly. Get to work early, leave mostly at 5:00 so you can have quality time with your family.
- ❑ Build the technical skills essential to improving off-shelf parts fill rate to the service department. This resolves hundreds of problems and greatly enhances better working relationships within the dealership.
- ❑ Set customer support, technician productivity and shop performance goals based on industry benchmarks. Communicate progress toward these targets to employees, managers and customers.
- ❑ Build delegation skills. Create more team leaders to improve communications, handle problems, improve employee morale and productivity. Clearly define expectations.
- ❑ Better utilize software support systems for enhanced customer profile records, tracking problem situations and for account background information. Utilize technology, work smarter. Employ database management to conduct research.
- ❑ Participate in more outside management training sessions including stress management, time management and leadership. Pace personal growth. Be sure to structure continuous personal development, learning and growth activities. Develop outside passions.
- ❑ Build the proper policy structure. Simplify procedures. Eliminate bottlenecks. Enhance paperwork flows. Challenge your staff to continuously look for administrative efficiencies.
- ❑ Focus on training and empowering employees. Provide constructive feedback, regular, realistic appraisals, coaching, counseling. Create weekly morale boosters-internal games, etc. Provide positive feedback vs. “you screwed up again!” If you don’t train them on how to make decisions, they will force you to make all of them.
- ❑ Force yourself to take mandatory time off. Try not to take work home. Avoid the 75 hour work week. Minimize the number of working lunches.
- ❑ Schedule visits to customers on a regular basis. Ask customers, “other than price, what can we do to improve?” Get positive feedback from satisfied customers.
- ❑ Seek support and positive reinforcement from senior managers and the Dealer Principal. Get management involvement in your strategic issues. Tell your manager your needs and ask for help when needed. Build social interactions with the senior management team so you don’t feel like the lone ranger.
- ❑ Initiate programs that can reduce frustration, such as improved off-shelf parts fill rate to accelerate completion of repair orders, expanded scheduled maintenance programs to reduce emergency customer break downs and strengthened customer communications throughout the repair order completion process, especially if unexpected problems arise.
- ❑ Train customer-facing employees “How to Handle the Angry, Irate Customer.” See my ***Strategies, Tactics, Operations for Achieving Excellence*** text, Chapter 14, for complete details.

Conclusions

Service and Parts Managers who are on top of their game have become aware of the causes of **Burnout** and learned to utilize the tools and technologies essential to successful 21st century dealer management. **HOW?** They pursue performance excellence against established industry benchmarks. These successful managers build and nurture strong business relationship with their peers and especially with the company ownership. They pursue a practice of life-long learning and seek new and creative ways to adjust to industry change.

I always recommend to Service and Parts Managers: clearly define your responsibilities and accountabilities with the Dealer Principal. Learn his/her personal dreams and expectations for the business. Determine how you can best support those objectives. Work toward mutual agreement on the tools and resources you must have to meet and exceed the Dealer Principal's expectations. Become a partner in his/her success. In today's highly competitive market, revenues from service and parts are essential to the long-term survival of the business. Learn how to manage the business as well as the technical side of your operations.

In my Dealer Management Workshops and Dealer Management Textbooks, we address each of these important issues. Dealer Management Teams including Service and Parts Managers should attend my **Master's Program in Dealer Management**. Sales Managers and Field Sales Reps should participate in my **Executive Sales and Sales Management Workshop**. For complete details check out our web site: www.McDonaldGroupInc.com. Or, contact Walt@mcdonaldgroupinc.com.

Walter McDonald is President of The McDonald Group, Inc. He is a well-know industry consultant and seminar leader. Since 1975 Walter has conducted more than 2,700 dealer development workshops in North America, Europe, S. E. Asia and Australia. Walter is a frequent contributor to *Successful Dealer*, *Construction Equipment Distribution* and the *MHEDA Journal* magazines. Walter has also just published his six-volume **Master's Program in Dealer Management**. This article appears in the first volume, **Achieving Excellence in Dealer Distributor Performance**.

The Complete Six-Volume Master's Program in Dealer Management:

