

How Do We?

By Walter J. McDonald

Machinery dealers today focus on improving profitability, cash flow, market share, and customer service and retention. Because machinery distribution is such a complex business, this can be a daunting challenge. A machinery dealership is really five or six very different businesses, often loosely connected by an information system. So, what is the best way to look at the enterprise and structure effective management of these various components?

Revenue Center Management

The first real breakthrough over the past forty years was the emergence of Revenue Center Management. By separating out unique operations and identifying the drivers of success in each business area, potential control of the overall dealership business has been greatly enhanced.

Now dealer management is able to identify the critical success factors in Parts, Service, Rentals, Used Machinery, New Machinery and Customer Retention. But what is the best way to do this? How do we better understand and apply the best practices and performance metrics of the most successful dealerships in our industry? How do we assess our own operations and identify performance areas that are causing the most problems and putting our profitability and customer relationships at risk?

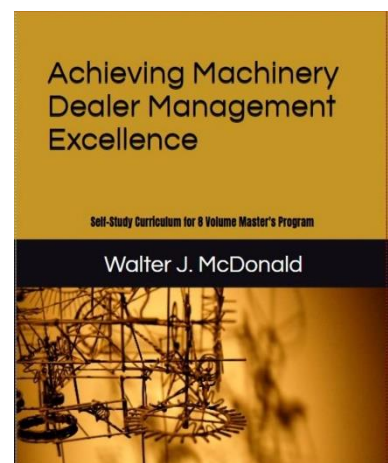
The first thing we can do is examine the programs and practices of High Profit World Class Dealers. What is their management approach? What do they monitor and control? Where do they invest their scarce and costly resources? How do they ensure that every area of the dealership is fiscally sound while meeting customer expectations?

This is my wheelhouse. By assisting dealer management teams in over 2,000 dealer management seminars and workshops worldwide, I have been able to collect, document and analyze what really works and is most effective in improving machinery dealer profitability, cash flow, market share and customer service and retention.

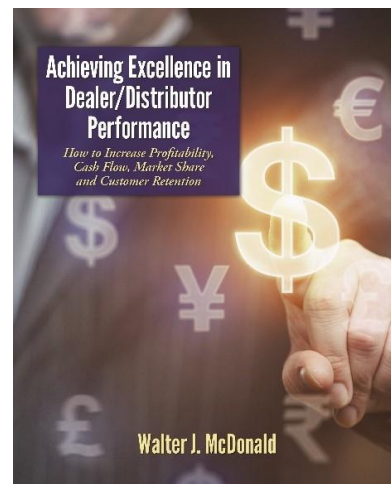
Master's Program in Dealer Management

My eight-volume *Master's Program in Dealer Management* contains extensive "how to" guidelines. These materials can either be approached as a comprehensive desk-top reference and problem solving resource or as a full spectrum self study guide and personal self development program. The new ***Achieving Machinery Dealer Management Excellence*** is the key to our "how to" approach to machinery dealer management. This latest volume in the series guides the reader through all eight volumes.

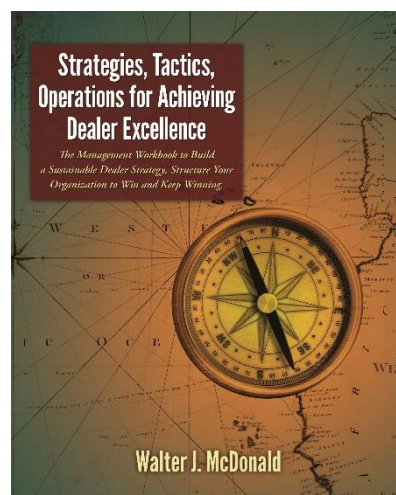
Not only does it lead you through the program, step-by-step with reading assignments and mini lectures on each Revenue Center from my dealer management workshops, it also features thirteen new chapters on "how to" ideas for Product Support Managers and twenty for Sales, Marketing and Strategy Management.



Critical Performance Benchmarks in each revenue center assist managers in determining if something is awry, day to day or week to week. This enables corrective action before the monthly financial period is over and it's too late to make the change before budget damage has been done. It's like detecting a weakness in your wing back or winger in soccer. Why wait until the end of the game? It's too late then. Make necessary changes in the first period, or as soon as necessary. ***Achieving Excellence in Dealer/Distributor Performance*** clearly explains performance metrics in each Revenue Center. What must be monitored? What is the score range of high profit dealers? How is the benchmark calculated? Why is it important? Special sections on overall Product Support Management, Machinery Sales Management and Financial Management make this first volume in our series an essential dealer management tool.

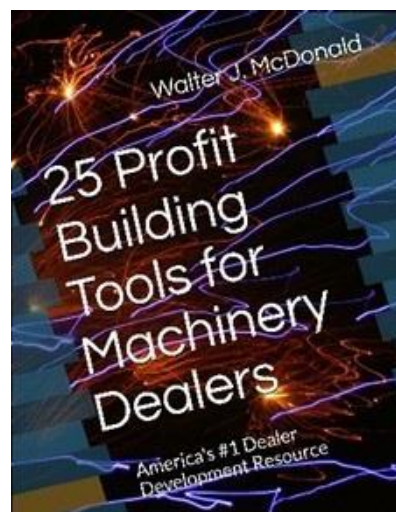


World Class Best Practices are the policies, programs and administrative procedures employed by some of the most successful machinery dealers in the industry. We detail more than 600 across the five revenue centers plus customer service, information technology, strategy management and vendor relations. ***Strategies, Tactics, Operations for Achieving Dealer Excellence*** also contains the most comprehensive 90-day Start-Up Program for a new machinery sales rep that you will ever see. Full guidelines for Key Account Management will not only help you outflank your competitors but also help ensure retention of these essential external assets. The whole first third of this 564-page text focuses on the *Six Strategic Questions* that dealer owners and executives must address to be successful today:



- What Products in Which Markets?*
- What Management Leadership Roles?*
- What Sales and Marketing Investment?*
- What Product Support Investment?*
- What Information Technology Investment?*
- What Growth Plan, Succession Plan or Exit Strategy?*

As a successful global machinery dealer management training and industry specialist, The McDonald Group, Inc. continuously researches and documents fresh, new ideas of what is working to help machinery dealers improve profitability, cash flow, market share and customer service and retention. Our ***25 Profit Building Tools for Machinery Dealers*** contains the latest experiences on what works best to increase gross profit margins, decrease cost of sales, decrease expenses and increase more profitable sales volume.



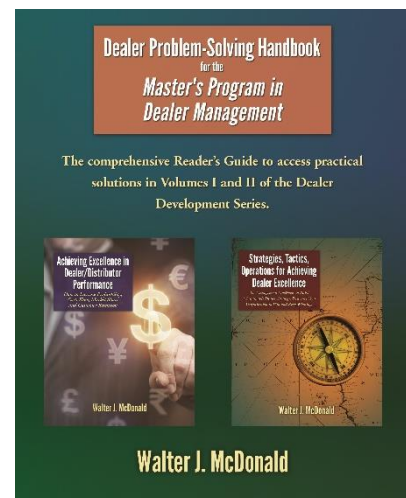
Since so many machinery dealers around the world are utilizing our *Master's Program in Dealer Management* book series as a desk-top reference tool, we developed our ***Dealer Problem-Solving Handbook***. In this text we examine an effective problem solving process. Then we review issues, problems and potential solutions across the whole enterprise. We list the problem, provide a description and recommend specific text pages in the *Master's Program* where solutions can be found.

About 190 problems are examined in sections dedicated to:

- Dealer Principal/Ownership Issues*
- Parts Operations Issues*
- Service Operations Issues*
- Rental Operations Issues*
- Used Machinery Operations Issues*
- New Machinery Operations Issues*

Based on my dealer management workshop and industry consulting project experiences I've also included a "Coach's Corner" for each section, with tips on "Helping You Survive and Prosper."

This eight-volume *Master's Program in Dealer Management* is receiving accolades from around the world. Dealers are using the set today across North America, Europe, the Middle East, South Africa, Australia, China and Southeast Asia. Here are the comments of a leading dealer executive:



Dear Walter,

What a nice book you've recently published! My personalized copy of *Achieving Machinery Dealer Management Excellence* arrived this week. Working with hundreds of dealers/distributors and a large number of OEM's, you provide a wonderful composite of years of accumulated knowledge and experience in best processes and practices.

This new work functions as a virtual instructor, giving access to the knowledge that constitutes the equivalent of a Master's Program. It directs the user where to find the information, and why and how to use the content. If there was an Industrial or Machinery Distribution Hall of Fame, you'd have my nomination.

There has never been a time when the information in your eight-book curriculum has ever been so relevant to serving customers and while doing it, surviving and prospering in the industry.

**Jim Wilson, Manager Dealer Development (retired)
Mitsubishi Caterpillar Forklift America**

You can order your personal machinery dealer **Management Tool Kit** here today:

www.mcdonaldgroupinc.com/masters-program