

Management Control System

Pros

Everyone on the same page
Consistency
Training is easier and targeted
Higher Gross Profit
Increased Closing ratios
Better CSI and SSI
Managers control the gross
Managers talk to every customer
accountability
Management by their Objectives
accountability
Managers are accountable
Salespeople are accountable
Easier to use a negotiation system (4 Square)
Manager can work multiple deals
Salespeople can't pick favorite Manger to work with
Big Advertising savings
Salespeople and Managers can plan their day
Up system which allows planning
Daily meetings - save a deal

Cons

Must hire and train constantly
Must find Managers to fit
May lose experienced People
Too hard to track results
Lost deals due to inexperience
Hard work every day
No open floor
Managers don't like

Salespeople don't like

If you are not using a defined management control system, then you are using a combination of system that were used by your Managers and Salespeople at their previous employment. Most systems evolve to an open floor, get an offer and then try to bump, because it is the easiest way to do things. Does an open floor benefit the dealership or the salesperson? Can a salesperson say or do anything they want as long as they get an offer? Do the salespeople spend more time negotiating with the Manager or their customer? If a customer comes into your dealership, he or she should be treated the same exact way regardless of which salesperson they get.

Every deal should start the same regardless of the salesperson or the Manager working the deal.

The strength of the management controls system is once the customer is defined and we know what type of customer we might have, we then look at the strength of our managers and if gross is needed, we go to our best gross manager. If the customer is shopping, we need to send in our best be-back producing manager.

It is a proven fact that when a definite plan is in place and the employees are trained for one week, it will produce increased gross profits and increased closing ratios for up to three months. Little by little the things they were trained to do will slowly go away and they will settle back into their comfort zone. Basically, the customer will retrain the salespeople and the managers and things will go back to normal. That is why a majority of consulting companies recommend a refresher every 90 days.

The other main reason for a management control system is getting the managers to understand total gross profit. The salespeople should be concerned about volume and the managers should be concerned about the gross profit. Salespeople's pay plans should be based on volume and gross. Manager's pay plans should be based on gross. They should only get volume bonuses when there are big incentives from the manufacture to hit the numbers.

The salespeople should keep track of their sales and the managers should keep track of their total gross profit each day.

Dealers need to get their Managers to do the things they don't like to do: The Managers spend the majority of their time on the things they like to do or have to do.

Managers need to get their Salespeople to do the things they don't like to do: The Salespeople spend the majority of their time doing the things they like to do or have to do.

Salespeople need to get their Customers to do the things they don't like to do: The Customer needs to spend quality time selecting a vehicle and then negotiate to feel good about the purchase. A pre-set "Road to the Sale" will take care of the time and learning negotiating skills will allow the salesperson to help the customer through the negotiating process of give and take.