Polishing the Service Advisor

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Turn Your Bottom Line Greener
How to Turn Sustainable Efforts Into Profitable Business

By Curt Knapp

Part one of a two-part series

As part of today’s automotive marketplace, you’re probably asking yourself why sustainability is becoming a critical element in long-term dealership success. After all, it’s not by chance that the most successful brands in the world, including auto manufacturers and their dealerships, are building sustainability into their brands. In this two-part article, we will touch on what you, as a dealership Fixed Operations Director, need to know and do to capitalize on this growing opportunity.

Sustainability isn’t just about what’s good for the planet. In today’s boardrooms, companies are making decisions about sustainability based on what’s good for the planet, its people and economics. These three cornerstones of sustainability are used to set the strategy, plan and tactics for the organization.

The good news is that with over 40 independent studies to reference, time and time again it’s shown that sustainability is not only good for people and the planet, but sustainability also improves your company’s overall performance. This is partially a result of such things as process improvements and shifting to sustainable procurement practices. But your sustainable efforts will also lead to attracting and retaining more customers.

For example, auto manufacturers are going to great lengths to design, build and market more sustainable vehicles. They are realizing reduced costs and greater innovation by “thinking sustainable” on such things as raw materials, fabrication methods and how their waste streams are being handled. But they’re also getting a return on their efforts by attracting and retaining more customers who want to do business with sustainable companies.

This is not limited to the small portion of the market that views themselves as environmentally-conscious. John Gerzema, a pioneer in the use of data to identify social change, has determined that fully 63% of Americans now make it a point to buy from companies whose values are similar to their own and 71% believe they and their friends can change corporate behavior by supporting companies that “do the right thing.”

By connecting to these consumers through sustainability, you can capture new customers and turn current customers into long-term loyalists.

Consumer pressure is not the only influencer leading companies to become more sustainable. Dealerships’ direct association to auto manufacturers set the expectation that you will follow suit and be leaders in the field. While government is dictating minimum requirements in some areas, more and more business partners are demanding that you support their sustainability guidelines. Corporate investors are now performing sustainability assessments as part of their evaluation of investment options, so more investors will be looking at your company through the lens of sustainability. All of these influences add up to a marketplace demanding sustainability be part of your dealership’s value proposition.

Before jumping in and painting a green recycling symbol on your dealership, let’s look at the keys to successful sustainability in an organization. The goal will be to replicate the success of other dealerships that assimilated sustainability into high performing organizations. You don’t have to look far to find them, including The Larry Miller Auto Group, Knauz Auto Group of Illinois or Auto West in Canada to name just a few.

The three basic keys to success include the following:
**Internal Adoption**
Internal adoption begins with engaging the leadership of your organization and assimilating sustainability into your business.

You must first define what sustainability means to your organization. This means deciding what pieces of the social, environmental and financial pillars you will focus on based on your industry and business model. For a dealership’s Fixed Operations management this would start with such things as implementing sustainable procurement guidelines, implementing a comprehensive “reduce, reuse, recycle” program for all of your locations and offering environmentally-friendly Service options to your customers.

Once you’ve defined sustainability for the organization, leadership must then develop, communicate and socialize your program. This requires informing each department in the organization of the importance of the program, its impact on the company and their specific roles and responsibilities for success. The program should include some simple early wins to satisfy primary customer demands externally while simultaneously creating momentum internally. The plan must be fully embraced at every level of the organization before being turned into external messaging to the marketplace.

**Collaboration**
Collaboration is vital to building a strong record of sustainability. Once you’ve secured some of the easier, internal wins, you must attack the challenge by looking beyond the boundaries of your organization.

Most new programs are not centered on completely new innovation, but rather the application and adoption of already tested concepts. Turn to outside partners, suppliers and business organization’s to identify tried-and-true methodologies. Integrate customer programs that partners have available as well as team with them to identify new ways to leverage their experience and expertise. Select a world-class organization to perform your environmental services. An industry leader will not only provide the protection you need, but will also provide additional product and service choices that you would not otherwise be aware of.

Some partners will not only work with you, but will reward you for being more sustainable. Search out and participate in partner award and recognition programs that are sustainability-based. Third party recognition is a great way to quickly gain credibility with customers.

**Customer Communication**
Customer communication actually starts with internal education of your Sales and Service force. Train them on a core value proposition around sustainability that they can easily deliver as part of their routine customer interactions. While your Sales and Service Team are becoming skilled at delivering a consistent message, develop some basic customer-facing materials to reinforce your sustainability message. Counter cards, brochures, bay banners and posters are inexpensive, productive methods to tell your story to the marketplace.

Begin with telling the marketplace what you’re doing. Whether it’s providing a recycling center in your customer waiting room or offering eco-friendly motor oil that’s been re-refined from used oil, speak to the various programs you have in place.

As your program progresses, shift from providing program descriptions to showing results. Set up tracking systems to quantify what your programs have meant to the environment and the community. Use metrics that people can relate to, such as number of bottles or tons of waste recycled, number of trees saved, or greenhouse gas emissions avoided.

Make sure you can back up your claims and continue to expand and change your communication channels and methods to make sure your message reaches customers and the community at large.

Now that we’ve outlined three keys to capitalize on the growing opportunity from sustainability, in the next issue of Fixed Ops Magazine we’ll cover some executable steps to help jump-start your program.

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**PILLARS OF SUCCESS**

Internal Adoption

Collaboration

Customer Communication

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