

Andersons' Sales & Service

(Continued from the November/December 2005 edition of the Ideal Newsletter)

Question: Customer service is obviously a critical part of a successful dealership. From a promotional standpoint, what you have done to keep your customers satisfied?

Jason: "We have had our open house every year for the past five years. In the fall season, we try to give discounts for service and parts.

We make sure we send Christmas cards to every customer who has bought a piece of equipment off of us in the past two or three years. And within that Christmas card we give them a discount on parts or service. I think just giving the customer the attention helps.

Something that we've done in the past, which I have to say has become easier with the *Ideal* system, is follow-up. When we sell a piece of equipment, we have letters that we send out usually about a week to ten days after the purchase to our customers letting them know that we appreciate the purchase and what it takes to get it serviced, who to contact, and things like that."

Question: Do you feel *Ideal* has helped you create return customers?

Jason: "I think it hasn't hurt. I don't pinpoint our success on any one thing. The ability to take care of a customer when a phone call comes helps. If a customer wants a part, the ability to look up a part and tell if I have it in stock within a minute impresses a customer. I can remember the time when it took us 10 minutes to figure out if we had a part in stock. We'd go to the Microfiche and look it up and then we'd go to the computer and punch the part number in and I can do that all now without moving. As soon as I pick up the phone I can look up a part and then if a customer wants to go further and order a part, it's just a few keystrokes and mouse clicks away and I can have all of their information in the computer and the order created. So the ability to take care of a customer more efficiently and quicker and the ability to come up with information faster definitely helps us bring customers back."

Question: You mentioned earlier that one of the things you did when you and your siblings took over the business was push for integration with electronic parts. Did you have integration before you had *Ideal*?

Jason: "We did not have the integration as far as a business management system. That was one of the reasons why we changed to have integration. What we were able to do with our old system was have electronic parts look-up. That in itself saved us a ton of time. I remember having one conversation with dad and I said 'dad we really need to get more PartSmart subscriptions because it saves so much time on looking parts up and he said son, you don't even look up parts maybe three or four times a day'. At the time he was not back at the parts counter most of the day so he didn't know how many parts I looked up. With PartSmart, that was a huge boost in the ability to help customers quicker and then with the integration, it's just that much faster."

Question: It sounds like you have a very large inventory to manage. How have you been able to keep the right items stocked so you don't lose sales?

Jason: "Ideal has made it much easier on us. We are still trying to get a better handle on our tracking of inventory. Our old computer system allowed us to have re-order points and we could pull some reports, that took a long time to run, to figure out if we were stocking the right levels and it was a help from the old way.

With Ideal it goes back and gives us two full years of sales and you can look up one report or easily pull a report of 15 parts and know exactly if we need to adjust our stocking levels. That plus tracking the sales and knowing how many we are selling in a given time has definitely helped."

Question: How do you avoid accumulating dead and slow-moving inventory?

Jason: "Well we put some parts on Ebay. We can figure out what parts we have that we haven't sold, but it's becoming less. There are some stock return policies with some companies that we can send some old stock back, which again it's really easy to pull reports on what our old inventory is. But otherwise there's not an answer to that. Once you have old inventory, a lot of it's obsolete and there's nothing you really can do with it.

There's one thing that John Deere offers. We can put our inventory in their database so that if a customer needs an old part that's obsolete, they can do a dealer inventory search and up until we got Ideal I had no way up uploading our dealer inventory with John Deere inventory so that is one thing that we are able to do now that we've never been able to do before. We can upload our inventory of John Deere products and we've sold probably 20 parts to other dealers because these parts are obsolete. No one else in the country has them except us so we were able to get rid of them that way."

Question: What do you find the most useful about Ideal's inventory reports?

Jason: "It helps when we go to place our stocking orders. If sometimes John Deere comes out with a program that they are offering extra discounts on parts for the faster moving items, we can easily pull a report that tells us what our 50 fastest moving parts are and those are the parts we're going to order, depending on how many we have in stock."

Question: What practices have you incorporated to manage your service department more effectively?

Jason: "We have gotten ourselves the capability of scheduling repair times for customers. We have gotten ourselves to the point where we can give the customer a pinpoint time of when the equipment will be done. The Ideal computer program has given us the capability of printing out work orders with that date on it so customers can see exactly when their piece of equipment is supposed to be done. It has cut down on a lot of the phone calls we get when the customer calls in three days after they drop the equipment off and asks if their equipment is done. Having them signing a work order saying they know it's going to be done in a week or two helps."

Question: Can you give some specific examples of things you do to ensure you are providing the customer with quality service?

Jason: "In the service departments we have made it a common practice to thoroughly check over the equipment. If a machine is in for a minor repair, we make sure there is nothing obvious that may fail within the near future. Most customers appreciate the extra information and will usually spend more money on extra repairs. Examples of things we will contact customers about would be cracked belts, worn blades, dirty filters and oil that looks bad. In many cases we actually save the customer and generate more income in the long run. If the cost of the repair exceeds the value of the equipment, we are usually able to turn that into a new sale."

Question: Is there ever a time of the year when business is slower?

Jason: "A little bit in the fall and winter seasons we slow down. When we took on powersports in 1997, our season was a lot longer than in just power equipment because when the grass stops growing, you stop seeing your customers. But in the winter time people are still out buying 4-wheelers and having fun. December, January and February are still our slower months, but they are not nearly as slow as they used to be."

Question: So was taking on the Powersports market something you did specifically to increase business during the slow season?

Jason: "Yes."

Question: Most consultants emphasize the importance of analyzing your financials on a daily, weekly and monthly basis. Do you think this is important and how do you go about managing this aspect of your business?

Jason: “We do that on a daily basis and then we track it by month and compare it to the previous year’s month and then we compare from one year to the next. A lot of this, because we didn’t have a computer that would keep all of that information accurately enough, was put down on paper. But over the next several years, we can probably eliminate the paper copies we are keeping.”

Question: Obviously you are a very family oriented business. How many family members work at Andersons’?

Jason: “Well, we’re all a family! There are five siblings and then three of our spouses work here part time in various degrees.”

Question: How do you divide up the responsibilities?

Jason: “It actually works out very well because there are five departments to our business. We have the finance department and advertising and my sister Tonia takes care of that. Then we’ve got a two-cycle repair shop and my older brother Grover David takes care of that. Then we have the lawnmower repair shop and that’s my responsibility. We also have the Honda powersports repair shop and that is Joshua’s responsibility and then Jon takes care of the parts counter.”

Question: What are the biggest advantages to working in that type of environment?

Jason: “The biggest advantage is that I feel you don’t have one head trying to manage all departments and oversee them. We have five equal heads that each control one departments and we have weekly business meetings to discuss everything that is going on in each department – if things need approved, if we want to advertise more, run any type of specials for any equipment and sales. Then all of us take care of the sales department to various degrees.”

Question: Would you say there are any disadvantages to working in that type of environment?

Jason: “Not for us but for some families it could turn into a situation where some people think their jobs are more important than others. We’ve heard of many families falling apart because they go in business together. We have our disagreements, but we grew up on a farm so the only thing we’ve ever done is work together, so that’s the way we are used to it and that’s the way it’s been for over 30 years for us.”

Question: Do you have any tips for dealerships that are family-run?

Jason: “I guess the only tips I could say would be to make sure you have respect for one another and know that each family member is just as important as the next.”

Question: It’s always difficult for small businesses to find quality employees. What advice would you give to other dealers when it comes to hiring new employees? Are there any particular things that you look for?

Jason: “The biggest thing that we look for is people who want to work hard and want to be in this industry. If it’s looking for parts, we’re looking for somebody who knows how to operate a computer and is willing to get in and work with the programs. If it’s for technicians, it’s looking for some person with the right attitude of wanting to know every specific detail about how the piece of equipment works so they can repair it. The biggest thing is to find someone that wants to do it. There are a lot guys who have just come through here and have wanted a paycheck at the end of the week. They don’t

care if a mower works right or if a 4-wheeler has a squeaky tire, they just want their paycheck. It's the attitude that's first and foremost."

Question: Is there anything that you have done during the interview process when looking for new employees that you use to determine what type of attitude they will have?

Jason: "We've gotten ourselves to the point where we don't even consider a person unless they have a resume. You can get a lot of information from the resume, how many jobs they've had for the last year or two. And we call references they provide. Usually you can get a good feeling about someone before you meet them by looking at their resume and then having a conversation with them to know what they are capable of."

Question: What concerns did you have when you were trying to decide if you should purchase Ideal?

Jason: "The biggest concern that we had is that we wanted a software program that number one foremost before anything else had good customer support. If I made a phone call I wanted to know that it wasn't going to be a day or two days or three days before they got back with me. That was the most important aspect."

"Secondary to that, the biggest reason we wanted to move from the computer system we had to a new computer software is for the integration and the capability of ordering parts electronically. We feel like we got about as efficient as we could get with the old way of doing things and we were running pretty smooth and we needed to move a step further. We couldn't do that without going to a new software program."

"The third aspect would be the capability of not only being able to help us out on the power equipment side of business but also the powersports and be able to do both with integration to parts and integration to submit purchase orders through all of our suppliers, not just power equipment and not just powersports."

Question: What was the one deciding factor that made you purchase Ideal?

Jason: "The one deciding factor, I guess, would have to be the references we got from existing customers about the customer support."

Question: What advice would you give to someone that is looking to buy software for their business?

Jason: "I felt like we went about it in the right mindset that we knew that we were going to put an investment into a computer software program and we didn't want to do it more than once. So I did contact several vendors and we found out who was capable of doing what. There were a lot of vendors out there that stressed they were great for outdoor power equipment and there were other vendors that stressed they were great for powersports but when you ask them about the other type of business, they would give us the answer 'yeah, we could probably do that' but for our business purpose we had to get a company who had already been doing both."

I was comfortable with Ideal because they had been doing outdoor power equipment, but they also had been doing powersports so we got it narrowed down to a few companies that were capable of doing both and then it came down to calling references. I mean you don't hire an employee without calling references. We don't and we weren't going to spend a lot of money without calling references also. By far, Ideal had the best. I didn't talk to a negative person when it came to Ideal. I can't say anything negative about Ideal and I'm happy with our choice."

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