

The care  
and training of your

**PET  
ROCK**



# Where's the Manual?

A guide to running a profitable,  
stable motorcycle dealership.

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# Table of Contents

## *1.Planning for Success*



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# Table of Contents

*1.Planning for  
Success*

*2.The Business Plan*



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# Table of Contents

*1.Planning for  
Success*

*2.The Business Plan*

*3.Service Department*



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# Table of Contents

- 1.Planning for Success*
- 2.The Business Plan*
- 3.Service Department*
- 4.Parts, Accessories & Apparel*



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- 1.Planning for Success*
- 2.The Business Plan*
- 3.Service Department*
- 4.Parts, Accessories & Apparel*
- 5.Sales Department*



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# Table of Contents

- 1.Planning for Success*
- 2.The Business Plan*
- 3.Service Department*
- 4.Parts, Accessories & Apparel*
- 5.Sales Department*
- 6.Business Office*



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# Table of Contents

- 1.Planning for Success*
- 2.The Business Plan*
- 3.Service Department*
- 4.Parts, Accessories & Apparel*
- 5.Sales Department*
- 6.Business Office*
- 7.Accounting*



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# Table of Contents

- 1.Planning for Success*
- 2.The Business Plan*
- 3.Service Department*
- 4.Parts, Accessories & Apparel*
- 5.Sales Department*
- 6.Business Office*
- 7.Accounting*
- 8.In a Nutshell...*



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# GRAND PRIX D'EUROPE

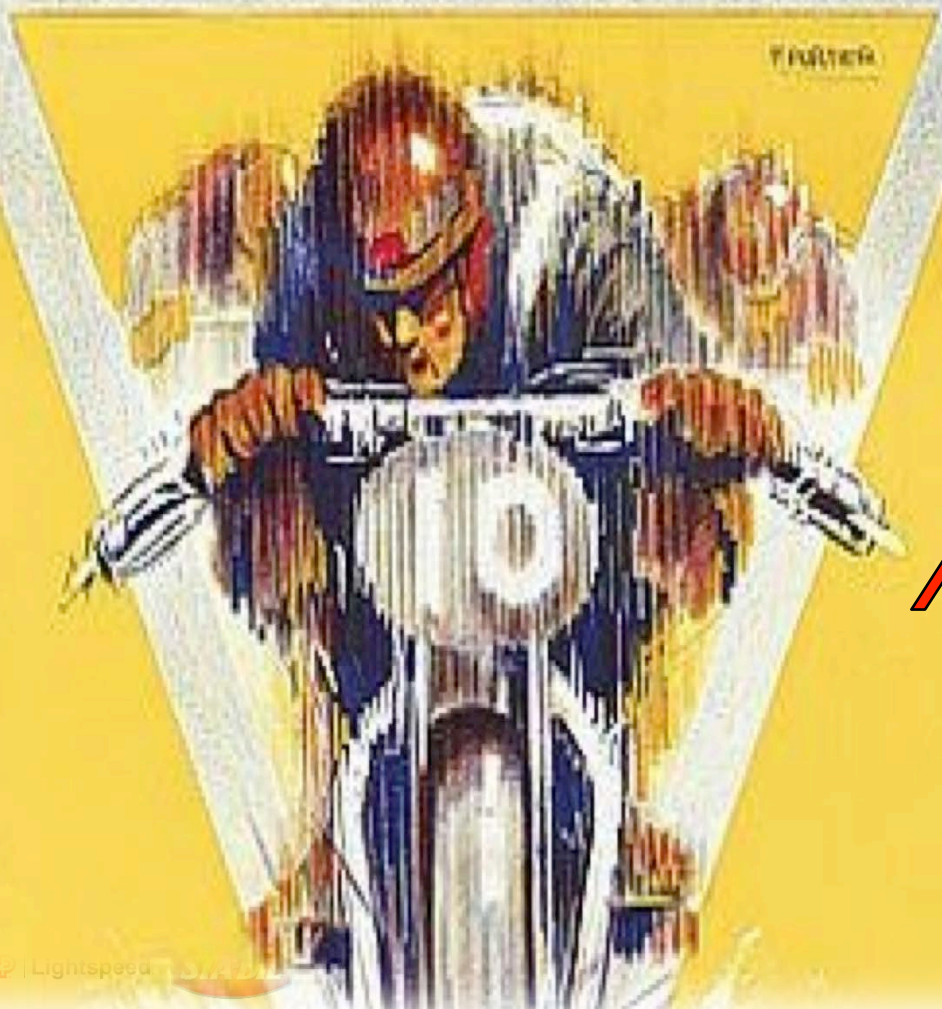
DE LA FÉDÉRATION INTERNATIONALE DES CLUBS MOTOCYCLISTES



## *Planning for Success*

# GRAND PRIX D'EUROPE

DE LA FÉDÉRATION INTERNATIONALE DES CLUBS MOTOCYCLISTES



*Planning  
for  
Success  
Are you?*



# Lackluster Motorsports, Inc.



**“My idea of planning for the future is programming the DVR.”**



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# *The Business Plan*

**GROSSER PREIS  
DER SCHWEIZ** 15.-16.  
AUG.  
BERN 1931





*Do you have a business plan?*



Brought to you by:





*Do you have a business plan?*

*Is it written?*



Brought to you by:





*Do you have a business plan?*

*Is it written?*

*Are you using your dealership's past financials to help with future planning?*



Brought to you by:





# Lackluster Motorsports, Inc.



**“We need to stop hemorrhaging cash,  
reinvent the company, rebuild our reputation  
and win back 150 million customers.  
Is there an app for that?”**



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# Employee Compensation & Payroll **33 - 35%**



Brought to you by:





**Employee Compensation &  
Payroll 33 - 35%**

**Personnel Expenses &  
Employee Benefits 7%**



Brought to you by:





**Employee Compensation &  
Payroll 33 - 35%**

**Personnel Expenses &  
Employee Benefits 7%**

**Payroll & Benefits Total 40  
- 42%**



Brought to you by:





Fixed Expenses **13 - 15%**



Brought to you by:





**Fixed Expenses 13 - 15%**

**Variable Expenses 12 - 13%**



Brought to you by:





**Fixed Expenses 13 - 15%**

**Variable Expenses 12 - 13%**

**Interest Expense 3 - 5%**



Brought to you by:





**Fixed Expenses 13 - 15%**

**Variable Expenses 12 - 13%**

**Interest Expense 3 - 5%**

**Marketing / Advertising 3 - 4%**



Brought to you by:







**Fixed Expenses 13 - 15%**

**Variable Expenses 12 - 13%**

**Interest Expense 3 - 5%**

**Marketing/Advertising 3 - 4%**

**Gross Profit per Employee  
~ \$110,000**



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# Absorption Rate

*The absorption rate is the percentage of a dealership's total operating costs that are covered, or absorbed, by the parts and service departments.*



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*Service  
Department*

**DUNLOP CORD**



# Lackluster Service Department



**“Heads — better customer service.  
Tails — better excuses!”**



Brought to you by:





# Posted Labor Rate *versus* Effective Labor Rate



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**Posted labor rate \$95 hr**

**Labor Sales Revenue  
\$28,629**

**360 hrs paid**

**Effective labor rate \$79.52**

**16% less than you thought**

**\$5,571 that you should  
have made**



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# Foundation-Building Tips

**Know what you're charging.**

*What you believe is not always the case.*





# *Foundation-Building Tips*

**Know what you're charging.**

*What you believe is not always the case.*

**Be consistent in your practices.**

*Guidelines that ensure create a business that endures.*







# *Foundation-Building Tips*

**Know what you're charging.**

*What you believe is not always the case.*

**Be consistent in your practices.**

*Guidelines that ensure create a business that endures.*

**Advise and guide.**

*Maintenance education builds customer retention*





# *Foundation-Building Tips*

**Build relationships.**

*Confidence and trust builds loyalty.*





# Foundation-Building Tips

**Build relationships.**

*Confidence and trust builds loyalty.*

**Communicate and follow up.**

*Recommendations and explanations with all service work.*





*Parts,  
Accessories  
& Apparel*





# Inventory Management

*Is your parts department  
a consumer or a  
producer?*



Brought to you by:





# Inventory Management

*Is your parts department a consumer or a producer?*

*When was the last time you did a full inventory?*



Brought to you by:





# Inventory Management

*Is your parts department a consumer or a producer?*

*When was the last time you did a full inventory?*



Brought to you by:





# Investment Capital

*Are you monitoring your  
return on investment?*



Brought to you by:







# Investment Capital

*Are you monitoring your  
return on investment?*

*Do your sales justify  
your investment?*



Brought to you by:





# Investment Capital

*Are you monitoring your  
return on investment?*

*Do your sales justify  
your investment?*

*Net profit divided into*



Brought to you by:



# Lackluster Motorsports, Inc.



“Nope, our return on investment  
doesn’t look any better in 3-D.”



Brought to you by:





# Foundation-Building Tips

**Know your inventory.**

*You cannot monitor or measure the unknown.*





# Foundation-Building Tips

**Know your inventory.**

*You cannot monitor or measure the unknown.*

**Monitor return on investment.**

*Not all inventory is equal. Neither is the return.*





# Foundation-Building Tips

**Know your inventory.**

*You cannot monitor or measure the unknown.*

**Monitor return on investment.**

*Not all inventory is equal. Neither is the return.*

**Calculate inventory turns.**

*Gross or true inventory turns?*





## Gross Inventory Turns

*Cost of goods sold divided by average inventory value equals gross turnover.*

## True Inventory Turns

*Stock order purchases divided by average inventory equals true turnover.*



Brought to you by:



# Lost Sales Tracking

*Monitor the history of demand  
to ensure less is missed and  
more is made.*



Brought to you by:







# Lost Sales Tracking

*Monitor the history of demand to ensure less is missed and more is made.*

# Ordering Practices

*How many months of retail selling inventory are you stocking?*



Brought to you by:





# Lost Sales Tracking

*Monitor the history of demand to ensure less is missed and more is made.*

# Ordering Practices

*How many months of retail selling inventory are you stocking?*

# Sales Process

*Some salespeople are born, but most need to be trained.*



Brought to you by:





# Merchandising

*Emulating the best will help you sell more than the rest.*



Brought to you by:





# Merchandising

*Emulating the best will help you sell more than the rest.*

# Dating and Pricing Inventory

*If it's sold on the floor, it needs to be priced and show when it came into the store.*



Brought to you by:





# Merchandising

*Emulating the best will help you sell more than the rest.*

# Dating and Pricing Inventory

*If it's sold on the floor, it needs to be priced and show when it came into the store.*

# Follow-Up

*If you care about your customers, they will care about doing business with you.*



Brought to you by:



# Dress for Success

*It's not just a cliché.*



Brought to you by:





**Dress for Success**  
*It's not just a cliché.*

**Education and Training**  
*What you make and what you won't starts with what your team knows and what they don't.*



Brought to you by:





# Things your parts manager should know and do

- ü *Daily Updates/Weekly Reviews/Monthly Reports*
- ü *Merchandising/Marketing/Sales Training*
- ü *Monitor Performance/Manage Productivity/Maintain Efficiency*
- ü *Understand Sales & Service Department needs, and meet them*



Brought to you by:





# And there's more--



- ü *Inventory Management/  
Monitoring Investment*
- ü *Lost Sales Tracking/  
Perpetual Inventory  
Management*
- ü *Ordering Practices/  
Inventory Strength/Parts  
Availability*
- ü *Forecasting Sales/  
Controlling Expenses/*



Brought to you by:



# Here's a daily monitoring report for your parts manager:



*Take the total monthly parts department expenses, \$36,000*

*Divide that number by the number of days the parts department is open, 21 days.*

*You now have a break-even gross by day, in this case \$1,714*

*Divide that number by how many parts counterpersons you have, we'll use 3.*

*This gives you a minimum to be generated for each counterperson of \$571*



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# It's the fourth day of the month.....

*Expenses for the department, 4 days, \$6,857*

*Divide by 3 counterpersons, each has a break-even minimum of \$2,286.*

*Counter person #1 has gross sales of \$3,486*

*Counter person #2 has gross sales of \$2,856*

*Counter person #3 has gross sales of \$1,846*

*Parts department gross revenue to date \$8,188*



Brought to you by:



# The Darlings



8PM  
21+

## *Sales Department*

PLUS  
GOODFELLAS





**How well a department runs is generally dictated by the person who is doing the running.**



Brought to you by:





**How well a department runs is generally dictated by the person who is doing the running.**



Brought to you by:



*Everything You Need to Know About Being a Great Sales Manager:*





# *Chapter 1* **Leading by Example/Setting the Tone**

*A great sales manager positively  
models a high standard of  
conduct, ethics, and  
professionalism.*



Brought to you by:





# *Chapter 1* **Leading by Example/Setting the Tone**

*A great sales manager positively  
models a high standard of  
conduct, ethics, and  
professionalism.*

# *Chapter 2* **Consistency in Actions/ Policies and Procedures**

*What's put in place stays in  
place.*



Brought to you by:







## *Chapter 3*

# Maximizing Opportunities / What You See is What You Get

*The sales manager's main objective is to make deals.*



Brought to you by:





## *Chapter 3* **Maximizing Opportunities / What You See is What You Get**

*The sales manager's main  
objective is to make deals.*

## *Chapter 4* **Expectations and Accountability**

*Maintain performance and meet  
goals.*



Brought to you by:



# Chapter 5

## Common Sense

*Webster defines common sense as “the ability to think and behave in a reasonable way and to make good decisions.” That is what a great sales manager does.*



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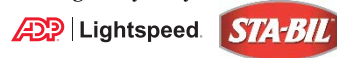




One of the biggest challenges we face is keeping vehicle sales consistent, and consistently profitable.



Brought to you by:





One of the biggest challenges we face is keeping vehicle sales consistent, and consistently profitable.

*Where do we start?*



Brought to you by:





One of the biggest challenges we face is keeping vehicle sales consistent, and consistently profitable.

*Where do we start?*

*We start with a sales process*



Brought to you by:





Now think, Harris, what did the sales department do different that day?



Brought to you by:





**If you don't ask, you're not going to get.**

*Sad but true, sales folks don't ask for the sale as much as we believe they do.*



Brought to you by:







**If you don't ask, you're not going to get.**

*Sad but true, sales folks don't ask for the sale as much as we believe they do.*

*Dealers who ask for the sale at least 70% of the time are **+34%** retails over dealers who don't.\**



Brought to you by:





# Consistency in presentation.

*Inconsistent sales presentations are like part-time employees. They only work part of the time.*



Brought to you by:





# Consistency in presentation.

*Inconsistent sales presentations are like part-time employees. They only work part of the time.*

*Dealers who offer brochures at least 75% of the time are **+13%** retails over dealers who don't.\**



Brought to you by:





# Consistency in presentation.

*Inconsistent sales presentations are like part-time employees. They only work part of the time.*

*Dealers who offer brochures at least 75% of the time are **+13%** retails over dealers who don't.\**

*Dealers who provide compelling reasons to buy from the dealership at least 70% of the time are **+15%** retails over*



Brought to you by:





**If you're going to be selling, you have to be telling.**

*When a customer starts doing what you ask them to do, it's far easier to get a yes when you ask for the sale.*



Brought to you by:





If you're going to be selling, you have to be telling.

*When a customer starts doing what you ask them to do, it's far easier to get a yes when you ask for the sale.*

*Dealers who encourage customers to sit on a motorcycle at least 70% of the time are a **+31%** over dealers who don't.\**



Brought to you by:





# Offer a test ride.

*“Take it for a spin” is a hard offer to refuse when you’re chomping at the bit for what you’re sitting on.*



Brought to you by:





# Offer a test ride.

*“Take it for a spin” is a hard offer to refuse when you’re chomping at the bit for what you’re sitting on.*

*Dealers who offer test rides at least 50% of the time are **+44%** retails over dealers who don’t.\**



Brought to you by:







**Get contact information.**  
*The more you ask, the more  
you get.*



Brought to you by:





**Get contact information.**  
*The more you ask, the more you get.*

*Dealers who ask for contact information at least 75% of the time are **+20%** retails over dealers who don't.\**

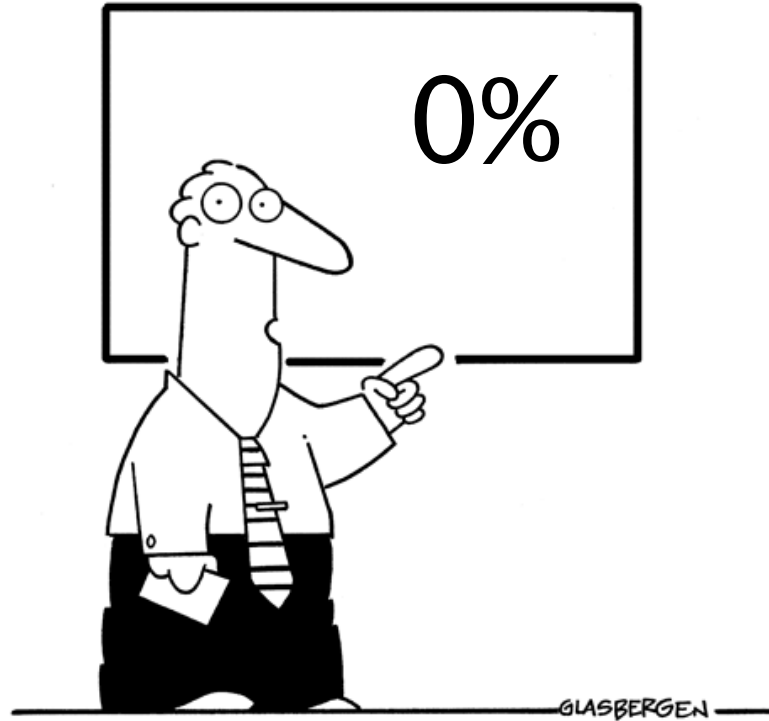
**And then you've got to follow up!**



Brought to you by:



# Lackluster Motorsports, Inc.



**“Our study concludes that this is the percentage of customers who we have found will buy from us without any effort whatsoever on our part.”**



Brought to you by:





# Foundation-Building Tips

**Have a written sales process in place.**  
*And use it. If you don't have a sales process that guides consistency, you won't get consistency.*





# Foundation-Building Tips

**Have a written sales process in place.**

*And use it. If you don't have a sales process that guides consistency, you won't get consistency.*

**Monitor the process.**

*Opportunities are not to be wasted. How far the sales process are your folks*





# Foundation-Building Tips

**Keep your sales manager on the floor.**  
*Maximizing every sales opportunity does not happen in an office. It happens on the sales floor.*





# *Foundation-Building Tips*

**Keep your sales manager on the floor.**  
*Maximizing every sales opportunity does not happen in an office. It happens on the sales floor.*

**Commit to a follow-up program.**  
*If you care about your customers, your customers will care about you.*



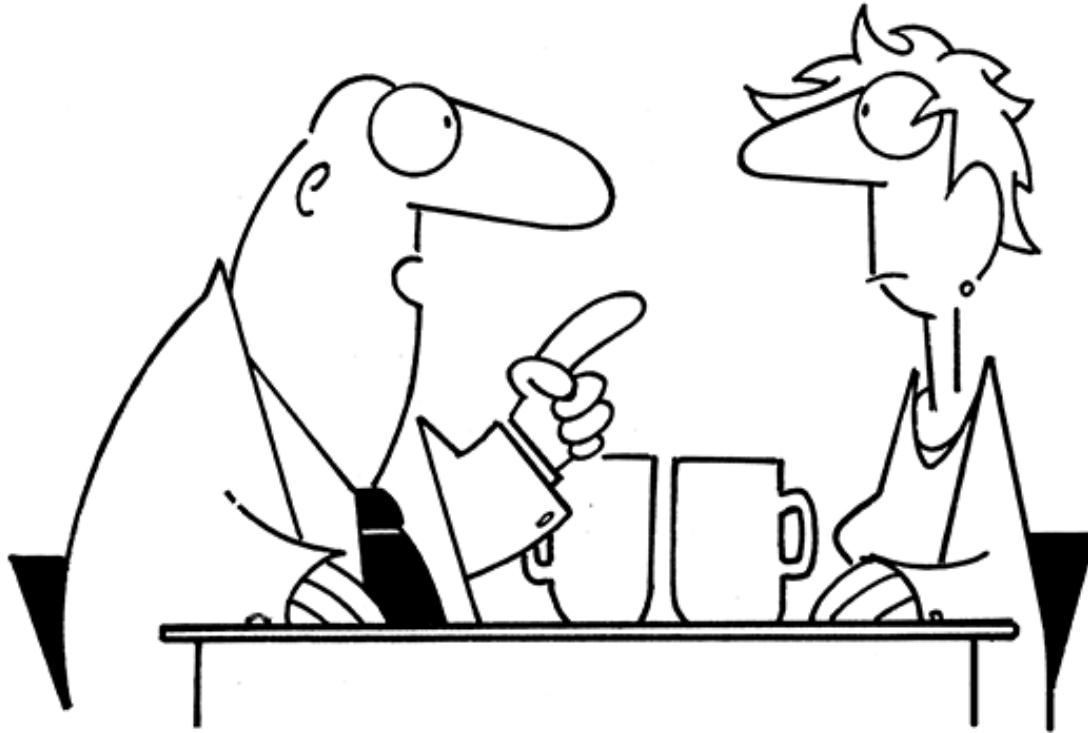


# *Business Office*





# Lackluster Motorsports, Inc.



“The secret to being a successful finance manager—always stretch and warm up before you lunge for their wallet!”



Brought to you by:





# Finance Department or Business Office?



Brought to you by:





**A Business Manager's main objective to make the deal happen.**

*The way those deals are made needs to be above reproach.*



Brought to you by:

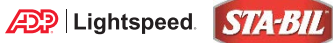




**Consistency in offerings.**  
*All customers deserve the same opportunity to purchase. Simple math. The more you offer, the more you sell.*



Brought to you by:





## Consistency in offerings.

*All customers deserve the same opportunity to purchase. Simple math. The more you offer, the more you sell.*

## Presentation of Products

*The more tangible the products feel, the more your customers will believe in the purchase of them. What's best for your customer is something to be real about as well.*



Brought to you by:





# Products menu

*Tailor your offerings to the individual with a focus on the benefits of purchasing, not the expense of the purchase.*



Brought to you by:





# Foundation-Building Tips

Success starts with planting the seeds ahead of time.

*Introduce your business manager early in the sales process.*





# Foundation-Building Tips

Success starts with planting the seeds ahead of time.

*Introduce your business manager early in the sales process.*

Protecting the dealership is number

*the rules to make a deal is not how things done.*







# *Foundation-Building Tips*

**Success starts with planting the seeds ahead of time.**

*Introduce your business manager early in the sales process.*

**Protecting the dealership is number one.**

*Bending the rules to make a deal is not how you want things done.*





# Foundation-Building Tips

**Listen.**

*Ensuring that customers understand their options requires that we do.*





# Foundation-Building Tips

**Listen.**

*Ensuring that customers understand their options requires that we do.*

**Get it right the first time.**

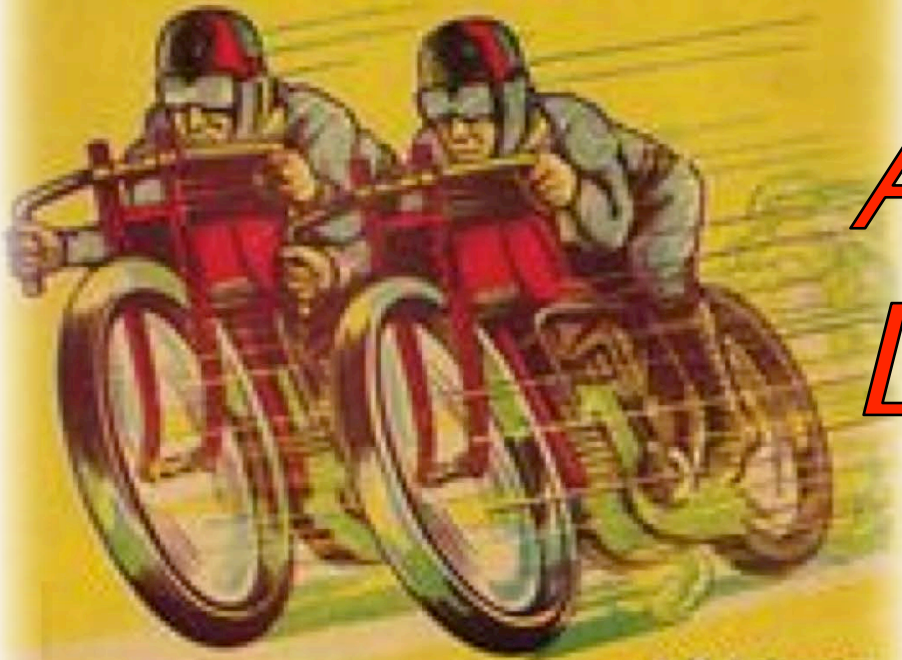
*Don't give your customers reasons to look elsewhere.*



**Night Speedway  
MOTORCYCLE RACES**

**Wed.-Sept. 26**

**8:00 P. M.**



A. M. J. Sanction

**LODI STADIUM**

*Accounting  
Department*



# Lackluster Motorsports, Inc.



**“Our books are balanced. 50% of our numbers are real and 50% are made up.”**



Brought to you by:





# Monitoring the health of your business starts here.



Brought to you by:





# Monitoring the health of your business starts here.

*Here are a few essential questions for your accounting department.*



Brought to you by:





*Do you understand the  
balance sheet and the  
accounts that make it up?*



Brought to you by:







*Do you understand the balance sheet and the accounts that make it up?*

*The income, deductions, expenses that are incurred —is the information correct? Are you sure?*



Brought to you by:





*Do you understand the balance sheet and the accounts that make it up?*

*The income, deductions, expenses that are incurred —is the information correct? Are you sure?*

*What's in the bank? Can I meet my expenses?*



Brought to you by:





*If there's a problem on a statement what do you do?*



Brought to you by:





*If there's a problem on a statement what do you do?*

*Are the journal entries made? Are you posting? Do you balance?*



Brought to you by:





“Because a large font makes the profits look bigger.”



Brought to you by:





# Foundation-Building Tips

**The proof is in the pudding.**

*Give them the education and training on what's inside the DMS and how to accurately get it out.*





# Foundation-Building Tips

**The proof is in the pudding.**

*Give them the education and training on what's inside the DMS and how to accurately get it out.*

**The numbers should be what?**

*Improved profitability starts by monitoring and controlling what affects it.*





# Foundation-Building Tips

**Timeliness in reporting.**

*Receiving accurate financial information in a timely manner is paramount.*







# Foundation-Building Tips

**Timeliness in reporting.**

*Receiving accurate financial information in a timely manner is paramount.*

**Record it daily.**

*If it happened yesterday, it should be posted today.*





# Foundation-Building Tips

**Timeliness in reporting.**

*Receiving accurate financial information in a timely manner is paramount.*

**Record it daily.**

*If it happened yesterday, it should be posted today.*

**Understand the flow.**

*Understand how each department works and*



COFF INTERNATIONAL  
**PAU**



*In  
A  
Nutshell*



**Do everything with all your  
might.  
Never do things half right.**



Brought to you by:



**Do everything with all your  
might.**

**Never do things half right.**

***Your business is too***

***in***  ***a***

**IN A  
Nutshell**



Brought to you by:

