

SEMINAR COVERAGE

Installer Boot Camp “The Installation Bay You Really Want”

They're not drill sergeants, but the five panelists that comprised the Installer Boot Camp council got their points across loud and clear. Attendees—ranging from manufacturer representatives to retail store owners—heard some of 12-volt's most respected industry experts discuss necessary changes independent retailers should be making to their operations.

Discussing many issues afflicting the industry and whipping attendees into shape were panelists Josh Landau, owner of JML Audio; Randall Schwartz, senior services academy manager at Best Buy; Scott Whitehead, president of Benchmark Motoring, Anthony Aiello, director of production at Benchmark Motoring; and Jeff Smith, owner of Audio Designs of Atlanta.

Bob Fields of Victory Technologies acted as moderator for the seminar, stressing that taking the incentive to learn more about how retailers and installers operate is key to developing products and business strategies that will prolong the industry. He also praised the independent business owners for showing interest in cultivating their shops.

“Training is a life-long thing,” said Landau. “[Shops] should go to at least two trainings or conferences every year.” Landau especially applauded the training sessions made available at MERA KnowledgeFest and added that walking the aisles at SEMA and CES isn't enough.

A common subject matter throughout the panel's discussion dealt with tracking labor and charging accordingly. “Everything should be formulaic,” said Landau, who insisted that installers keep their salespeople in the loop about realistic labor calculations in terms of both timing and charging. “You don't want to be cheap or expensive—you just want to be fair,” he finished.

Panelists Whitehead and Aiello dissected labor rates further and attributed their \$1 million in labor revenue last year to Benchmark's calculated scheduling and charging policies.

“Labor is your one fixed resource,” said Aiello, who was adamant that labor tracking is crucial to building profit.



Jeff Smith, owner of Audio Designs of Atlanta used his time at the podium to encourage retailers to revisit their attitudes about change, telling them, “evolve or die.” Smith urged store owners to embrace the threats of big boxes rather than fight the market.

“As specialists, our labor percentage has to be larger by definition so we can stay in business,” echoed Whitehead, a self-described born-fabricator, who started his business in a bathroomless building spanning 700 sq. feet, “but it can't be more than 33-percent labor in transaction. If you're going to be competitive, you have to charge for the actual time it takes to install.”

Aiello offered an effective method for developing fixed labor times for particular jobs. “Check in on the progress of a job. It allows you to make changes in manpower and the project's timeline,” he said, adding that labor should be clocked and logged for future reference. He brought up that some stores make up for underestimated labor hours with underhanded hidden costs. He warned against losing the trust of customers by dropping bombshell fees on them.

“If you tell them six hours, charge for six hours, even if it takes 12,” he insisted.

Sharing perspective from another side of the industry was Best Buy's Schwartz, who discussed the three main components that Best Buy instills in its 3,200 installers: training, support and structure.

With this three-fold “clear path,” the overall employee experience is

strengthened, which Schwartz said reduces turnover significantly. “It's all about retention,” he said, asserting that it costs an estimated 60 percent of an employee's salary just to replace him or her.

One way Best Buy is approaching employee training is through MECP certification. “Our direct correlation with MECP has reduced damage,” Schwartz said of his employees' skills. He also credited Best Buy's relationship with MECP to higher professionalism amongst staff, and again, increased retention.

“They need knowledge to build off of,” Schwartz said of new installers. “Support is all about information and you can never have too much information.”

Schwartz's call for devoting resources to employees was reiterated in other discussions.

Jeff Smith of Audio Designs of Atlanta added, “Invest in your people.” He agreed with Landau's statement that trade shows and training are important. “Bring them to CES. Send them to training in brackets,” he said firmly.

Training was not the only topic on Smith's mind. He spoke of the changing 12-volt world, and the attitudes and

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entertainment or information components. "With USB and the phono jack in the vehicle, will this process continue?" asked Daniels.

"Probably not," said Jeff Owens, president of electronics and safety for Delphi. Owens stated that the automaker's first priority is to the safety and integrity of its systems, and with the already standardized 1/8-inch phono plug and newer USB port, he doubted that there would be any further development of a databus level access port.

But all is not lost for the aftermarket. Kiyoshi Hamai, senior director of marketing and sales for Mio, envisioned a future where a portable device becomes a storage unit that is docked into the vehicle to provide entertainment content and information. "The user would carry one device that does navigation, holds music and other content, and it integrates and plays through the vehicle's screens and speakers," he said.

Though not all panelists bought into the "off-board" head unit, several thought that the future is moving toward a single device to do it all—phone, music player, Internet, etc.

"It's part of the lifestyle today," said Kolde. "My wife, kids and everyone around us have cell phones, iPods and Zunes. As we advance, I feel we might not have to carry more than one device around. It'll make it easier on consumers."

In-vehicle Internet access was also a topic of discussion, and panelists agreed that broadband access in the vehicle would completely change the landscape of products and services offered. "Services like music on demand, components that automatically upgrade their firmware, and two-way navigation systems will appear overnight," said Daniels.

"No one calls you anymore to say, 'I sent you an e-mail,'" added Sterling Pratz, president and CEO of Autonet Mobile, adding that it's an expectation that you have access to e-mail almost all the time. Autonet Mobile produces an in-car Internet portal that allows multiple users to connect wirelessly to e-mail, movies, television shows, music, online games and more.

Overall, panelists lamented that opportunities for the aftermarket are shrinking in some respects, but expanding in others. "Despite the OEMs adding new technology to new vehicles, there is still a vibrant market for pre-owned vehicles, and second and third owners who want these same features from the aftermarket," said Riggs. At the same time, aftermarket companies and retailers should look to new technology use to be first-to-market with new products and services.

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adjustments store owners must take on in order to adapt to it. The heart of Smith's address was "evolve or die"; he pointed out that change is inevitable, and nothing new to this industry.

"Don't fight the market. It's not going to change," said Smith, who insisted that a dynamic specialty shop is the only way to sustain the competition from OEMs. In addition, customers are more educated than ever, and more demanding. He added that big boxes, do-it-yourself hobbyists and Internet shoppers are threats to the car audio shop that does not specialize.

"The industry is not dying," said Smith. "Shops trying to compete with big boxes are. The problem with our industry is that there are few specialists left."

Smith's solution to the challenges facing the industry is to welcome them. "Embrace the customers who bought their stuff on the Internet. Embrace the big-box stores," said Smith, who disclosed that some of his most loyal customers are big-box installers looking for kits their stores don't carry. "Embrace DIYs—help them, even," he said. "Focus on what makes you different."

The role of the technician was weaved through many panelists' discussions. From their appearance to their interactions with customers, the technician's job does not lie solely in the installation bay.

The best salesperson could sell ice to an Eskimo, but Smith maintains that no sales pitch is as effective as the advice of an installer. "Technicians are better salespeople than most salespeople. People trust their expertise," he said. An installer's advice could be the difference between a three-hour job and a plug-and-play sale, so Smith suggests store owners "make sure installers are presentable."

Landau said the same about the condition of the bays. "It's a justified investment when the shop looks good. Let the customers see your bay," he said, adding that an open shop boosts the confidence of customers dropping off their cars.

Landau also mentioned that technicians should be supplying their own tools for standard labor, and relying on the shop to provide the larger equipment.

Other useful tips from Landau included opening early in the morning (JML Audio opens at 7 a.m.) to demonstrate dedication to the profession, keeping a database for networking and using high-speed Internet (dial-up just doesn't cut it anymore, Landau said).

Perhaps the most prolific words of advice Landau offered were just that: words. Landau pointed out that a sophisticated 12-volt vocabulary demonstrates professionalism and proves to customers that in-vehicle installation is complicated and is a profession, not a hobby.

"Use words like 'integration' as opposed to 'install' and 'subwoofer enclosure' instead of 'sub box,'" he said. "Calling your store a 'facility' sounds more technical than a plain old 'shop,' and refer to yourself and your employees as 'technicians' and 'fabricators,' not just 'installers.'"

Proving to people that audio installation should be left to specialists shouldn't be too hard, considering, according to Smith, "People are still in love with their cars. They love amazing sound and they want to show it off."