



## Honda West by the numbers

STAFF: **90** INCLUDING PART TIME STAFF

SIZE: **28,000** SQUARE FEET ON **1.9 ACRES** (THE SMALLEST HONDA STORE IN CALGARY BY SQUARE FOOTAGE)

NEW VEHICLES SOLD 2015: **969**

USED VEHICLES SOLD IN 2015: **756**

### Best practices:

- As a single point store, Honda West doesn't have same ability to promote and move high-potential staff members into more senior positions like dealerships groups do. Still, if management identifies someone looking to get ahead who is interested in taking outside courses that are relevant to the person's job, the dealership will pay for the training.

- You have to create a way to listen to your employees. Whether that's having an independent means of surveying them or something else, you have to get honest feedback about what they really think.

- Senior management perspectives are probably very different from what staff really thinks.

- Communicating on everything from positives to negatives needs to be consistent and non-confrontational.

your employees. Whether that's having an independent means of surveying them or something else, you have to get honest feedback about what they really think. Once you have that idea, you can really identify areas to improve and ensure your team is happy with the progress." **AWI**

# No commission system part of a 'culture of innovation'

CALGARY'S HONDA WEST INVESTS IN STAFF

### ▲ Jackson Hayes

**CALGARY, ALTA.** – While most stores strive to foster a progressive work environment where conventional ideas are challenged, most fall short under the demands of monthly volume targets, staff hurdles and the million other realities of running an automotive dealership.

One store that succeeds at creating a "culture of innovation" and adhering to the results is Calgary's Honda West.

In a sales year that saw sales for the brand and the province plunge amid growing economic strife, Greg Churchill's Honda West store emerged from 2015 essentially flat.

And while the dealer is quick to heap praise and credit on his staff of roughly 90 including part-timers, the systems and policies that help maintain revenue was all management.

"We were looking at how business is being done and the reality due to the Internet," Churchill explained. "Customers have really become used to having access to all the information so we felt it was important to change how we approach the sale in order to give us a competitive advantage."

Churchill has owned the store since 2009. He was one of the few modern owners who managed to use the old model of moving from sales manager, general manager, minority partner to owner after starting in the business in 1998.

That change he was referring to is the Easy Deal system.

The program is built on no haggle, no sales commission pillars designed to make the transaction as easy as possible. The store uses live market pricing, comparing competitor and the market to ensure the retail price is the lowest around.

Salespeople offer pressure-free situations because a traditional commission is not tied to the purchase. Once the customer is happy, staff will draw up a no obligation quote that includes the accessories the customer chose, the market-based margin, a sales price good for 30 days and 10 payment options. Each vehicle also comes with a 72-hour, money-back guarantee.

The no-fuss, no-pressure system was built out of separate elements Churchill had running in the store over the last four to five years. He said it was branded all together as Easy Deal in 2015 and the results have been great.

The store instituted its no commission sales system roughly three years ago. He said it was the randomness of commission-based pay plans that bothered him the most and led to the change.

"You could have a salesperson spend six to eight hours amongst numerous visits with a customer to sell them a vehicle. Then the next customer walks in and they do the transaction on a top-end vehicle with less negotiating and the other salesperson makes three or four times as much," he said.

"The reality is a car is a car. We wanted to make it fair and simple."

Staffers earn a guaranteed monthly salary but are also paid a bonus on a per unit basis as opposed to the overall gross.

He said this takes the mystery out of the pay plan and helped create a much different mood on the floor.

And consumers have definitely responded. DealerRater named Honda West the top Honda dealer in Canada this year after earning the title of best by brand in the province the year before.

Company policy is to ask customers for their feedback every time and ensure any online complaints through either DealerRater, Google or someone phoning the store, senior managers handle it directly and typically within 24 hours.

For Churchill, the best way to ensure happy staff is to get employee feedback broken down by department and find out what is done well and where they are falling behind.

"As a management team, we take it all to heart and create action plans to improve in any areas where it is necessary," he said, calling employee turnover an underrated cost of doing business.

"If your staff loves working there, you're dealing less with hiring and training and it reduces the distractions and the cost to the dealership."

Helping boost morale is an unofficial policy that anyone looking to get ahead and advance their career can take courses applicable to their job and the dealership will pay for it.

He has had staff complete everything from Dale Carnegie training to the automotive program at Southern Alberta Institute of Technology.

"You need to create a way of listening to