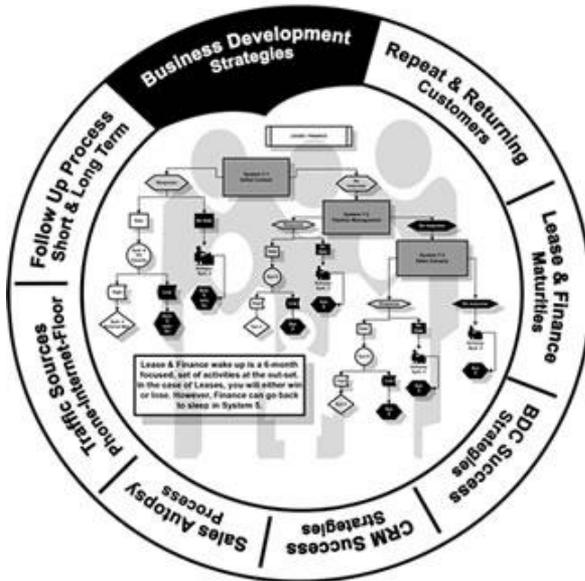


# Lessons from the Concrete Garden

## The Next Evolution in Dealership Training

Revised Edition

*Proven strategies for transforming the dealership sales and training process to meet 21<sup>st</sup> century challenges*



Written by

**Kurtis Smith**

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## **“The Concrete Garden”**

**“The Concrete Garden”** is a metaphor for the automobile dealership sales lots. This is where all the cars are neatly arranged and salespeople are standing at the doors or looking out the windows as if to watch them grow, while waiting for the next customer to show up.

## Dedication

To Dianne my bride of over 20 years, thank you for your love, kindness and unwavering support, but most of all your friendship. I am grateful and thankful for every moment God has granted me to spend with you. To my two men Justin and Jordan, words of gratitude are not enough to express how proud I am of you both. You never complained or exhibited any signs of distress during those lean years while your mom and I did what needed to be done and it made all the difference. You both are truly men of character and substance and you have the respect, love and prayers of a grateful father.

I dedicate this book to you all.

## Acknowledgements

I have dreamt about this moment for many years and wondered if this would ever come to pass. I have spent a great deal of time looking in the rear view mirror thinking and wondering, *what if?* The sad truth is that most of us spend our time being unhappy and miserable because we somehow feel and believe that we are not able to do any better; that somehow this job and this experience is all there is to this life, so we hold on. I too suffered from what one writer called the disease of “*ex-cu-si-tis*” until the morning of October 8th 2009, when I received the call that my mother-in-law and friend Gloria Gaines was no more. Time stopped for me as this healthy and vibrant young woman had a massive heart attack and never regained consciousness. Since that time a lot has changed for me as I realized that life is not promised to anyone especially me. So taking the to-do-list and converting it to I-did-that-list became a high priority for me. Gloria gave me the gift of urgency in my daily life and the importance of clearing out the clutter and the excuses. This book is a testament that I was listening. There is not a day that I do not miss her and I guess that’s what they mean about the wound that never heals. Her presence and her spirit are greatly missed.....

To my parents George and Evadney Smith, my North Stars, that gave up their comfortable lives in Jamaica in search of opportunity for their children. Their example of perseverance and “stick-to-it-ive-ness” as my father would say, has been my task master in those dark hours that all who attempt greatness will eventually experience. I have often borrowed their faith and depended on their prayers and at times have found it necessary to sometimes seek rest at my mother’s feet.

To my brother Dwight Smith who has taught me the importance of marching to my own beat by being an example of living a life truly without limits.

To my sister Dr. Terika Smith for continually raising the bar in the area of service to human-kind through her not-for-profit organization Love Without Borders International. Your vision, tenacity and execution are truly inspirational.

To my sister Kareen Miclausi and her husband Marius, friends for life.... We both know what it is to walk by faith especially when the earth itself seems to resent our every step. Thank you both for being around, even for a meal.

Finally, I would like to thank JKW for seeing potential in me and fostering it with encouragement and opportunity. Thank you for the gift of the Palm Handspring that started me on my journey. Thank you for allowing me to explore, experiment and believe that greatness was possible.

## Letter to the Reader

Dear reader,

I submit *Lessons from the Concrete Garden* as my body of work with great pride for your consideration. I have been searching for years to acquire the knowledge it takes to become competent and successful in the selling profession. I have been frustrated as a salesperson wanting to excel but not knowing how. I have felt helpless as a sales manager when the request came from my team for a tangible action plan for their development and not being able to provide one. Finally, I experienced the pressure from upper management to increase sales and felt the uneasiness of not knowing where to begin.

With the experience I gained from each of these perspectives, I began to analyze the disconnect that existed in the sales process in order to see if there was a way to connect the dots and provide a solution that would benefit all three parties simultaneously. The opportunity, when I understood it, was a lack of standardization of the core skills that sales teams need in order to function effectively and succeed. Think of it this way, the lack of standardization in the sales process can be compared to musicians in an orchestra playing from different sheets of music, resulting in noise. So, in order for it to sound like music, everyone has to know and play his or her part, reading from the same sheet of music.

As important as the selling profession is to the economy and to the movement of all its goods and services, I am baffled as to why the skills necessary to succeed in the profession are not being taught as a degree program in traditional learning institutions. The byproduct of this lack of structure is that anyone wanting to participate in the

selling profession has to find his or her own way. That is why most salespeople struggle trying to figure out what it is they are supposed to do in order to succeed and why so many of them eventually give up and leave the profession.

With that being said, I have a very special place in my heart for anyone involved in the selling profession because of the personal growth and development they have to undertake in order to survive. Ralph Waldo Emerson said it best, “Do not follow where the path may lead. Go, instead, where there is no path and leave a trail.”

From that approach, I have created a selling system that provides the processes broken down into the step-by-step activities for anyone to follow and achieve any amount of success he or she is willing to work for. Furthermore, it provides sales managers with a program to give each member of their sales team their own unique personalized developmental plan in order to reach their full potential. Finally, it provides organizations with a viable business development strategy that utilizes their own internal personnel as the drivers by inducing permanent change in behavior and performance through ongoing education to increase sales.

I’ve learned that the one common denominator of all truly successful selling professionals is that they see themselves as independent contractors, a business within a business, that although they are operating with the confidence that they’re in business for themselves, they are not by themselves. It is only by having this correct view that they are able to take full and personal responsibility of their professional development which is the primary reason for their success.

I am excited about your future and those that you will share this information with because I know exactly what the outcome will be. I look forward to seeing you soon.

To our mutual success,

*Kurtis*

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## Introduction

In the blockbuster movie *The Matrix*, the main character, Neo, is living in a world that is controlled by machines. These machines have enslaved humans and are keeping them alive by feeding their minds a false sense of reality. Neo, “the One” as he is referred to in the movie, is troubled because he feels and somehow knows that there is something not quite right with the world. Morpheus, Neo’s guide, offers him a choice to stay in ignorance or become exposed to the truth about the Matrix and what he, Neo is really capable of becoming. Like Neo, I had a similar unsettling feeling, standing in the dealership showroom for 8 to 12 hours a day, staring at the parking lot while waiting for the next prospect to show up. I remember saying to myself that there had to be more to being a salesperson than this; there had to be some action that I could be taking besides waiting for people to show up; there had to be some way to sell more cars besides competing with 14 other salespeople for the next customer. Month after month, I stood there, having the same internal dialogue while staring out the showroom window. I would later referred to these times as “watching the concrete grow” because of the slow, painful and shrinking sensation my brain felt from boredom especially during the winter months.

My opinion is that the automobile industry is at a crossroads on multiple levels and one of the key indicators that change is no longer an option is the 2000+ dealerships that have closed their doors since 2007. Not only do the factories have to re-invent themselves, but if the individual dealerships at the local level are going to survive, they too must become a part of their respective factory’s turnaround strategy. It is critically important that these dealerships re-evaluate how they generate revenue, retain customers and

market themselves, which ultimately comes down to their expectations of the salesperson's position or the individuals that they will employ to fill this extremely important role.

As we all know, nothing happens in business until someone sells something. So one of the most important segments of a turnaround strategy has got to include the specific plans that will be used to recruit and develop the salespeople who are responsible for selling a product line. Currently, these individuals receive little or no training yet they are the ones who interact with and are the last and most important contact with prospective clients which would make all the billions of dollars of R&D and marketing payoff.

Unfortunately, most companies take a backwards approach in the hiring, training and paying of these individuals. They hire the best and pay the most for legal, accounting and other operational positions, but they look for the cheapest and easiest solution when filling the most important role in the company, and that is of its business developers. What is continually forgotten or dismissed is the fact that nothing happens and no revenue comes in to pay for these other positions until someone sells something, yet the role of a professional salesperson is the most unappreciated role in many organizations. Regrettably, this has been the approach of many dealerships across the globe and in recent years has proven to be a killing mistake for most.

The long term success and survivability of certain automotive manufacturers and their dealerships truly depend heavily on their leaderships' ability to visualize the salespeople who are on the frontline, not as an expense, but as a capital investment and a profit center capable of

producing revenue and delivering results, worthy of a formal and proper education.

I have been a business consultant to multiple sectors such as healthcare, not-for-profits, education, and yes, the automobile industry, however, what I have found is that selling is the one exercise that they all have in common. It keeps the doors open and the funding flowing and without it, they all go out of business. Yet it is the one discipline that has ambiguous definitions about what it takes to be successful and where to go to acquire the knowledge needed to succeed.

We are all selling, so whether you are an entrepreneur, an administrator, a leader, a minister or a salesperson, the following pages will close the loop on processes in selling and business development that you probably know have been broken, but just have not known how to fix. It will give you the relief and the confidence that you can chart your own course or lead a team to success because you will have a plan of action that is quantifiable, provides the measuring stick for the results that you will be getting and the means to take corrective action, so let's begin.

## Chapter 1: The Price of Ignorance has Gone Up

In 1993 the average automobile dealership spent approximately \$300 per new vehicle sold on advertising. In 2009 that cost went up to approximately \$635 per car sold, which was up slightly from the year before at \$623 per car. These figures did not include the expenditure of the factories on brand awareness campaigns and other incentive programs. This means that the cost of customer acquisition had more than doubled over the past 15 years and is continuing to rise! These numbers may not seem like much when you consider the price of cars these days, but when you look a little closer, what you will discover is that the average gross profit for a new vehicle sold in 2009 was \$1240 and \$1623 for a used vehicle. The importance of this information is that the average dealership is spending approximately 51% of its gross profits on advertising to attract and hopefully acquire customers!

Historically consumers went from dealership to dealership looking at cars and soliciting information from salespeople because that was how it was done, and without warning, it all changed. Today, they are no longer shopping exclusively in their local market area, and in response, dealerships are advertising in a wider geographic region in hopes of luring more buyers from their competitors' back yards. The end result is that they are sacrificing their margins to attract the same amount of prospects they once had, making the cost of customer acquisition a pricy, yet necessary proposition. This shift in consumer behavior was due significantly to the Internet. It has made the old model of selling less relevant and very costly because the customer who historically used the dealership as a destination to do their research about product, color, pricing

and even financing, now use it merely to test drive, dictate terms or just to service a vehicle they bought some place else. The unfortunate fact in this new reality of car selling is that most dealerships have missed a very important and critical point and it is that people do not buy products from entities; they buy them from other people who work at the entities! They may not be aware that in the absence of a relationship or rapport with an individual, the consumer's buying decision is driven by price, convenience, and the uniqueness of the product. That's it. Let me make myself very clear. This book is not about a broad brushstroke approach to fixing everything that ails the automotive industry and it is not about blaming or pointing of the finger. However, this is definitely about dealerships at the local level that are caught in a tug-of-war for one customer's business and what each of them can do in order to win. This is about the experience that the customers have been asking for and the action plan to achieve it. This is about identifying and addressing a systemic yet fixable problem that can significantly impact those struggling businesses across the automotive industry. Consumers have been complaining and doing just about anything to avoid having an encounter with a car salesman. They have gone as far as to hire third-party services to act as intermediaries during the buying process, even though it would mean paying more for the product. The writing has been on the wall for years, but the focus has always been misdirected.

Companies like CarMax have made their living and record profits under the catchphrase "This is the way car buying should be." I can still remember when Car-Max first came on the scene and all the jokes and predictions of their demise that came from the mouths of the now unemployed and extinct automotive dinosaurs. I might add that I also heard similar predictions regarding the Internet and the role it would play in the movement of cars as well.

The fact is that the automotive landscape has changed dramatically over the past few years because the competition from different manufactures for the consumer dollar is fierce. The cry for better built, more fuel efficient vehicles have sent all of them back to the drawing board and as a result, we, the consumers, have a better selection of quality vehicles to choose from. However, we, the consumers have also been complaining and demanding a better experience when shopping for cars but it seems no one has been listening.

Instead, dealerships struggling to find their unique formula for success are battling with other dealerships through price wars and gimmicky advertising campaigns that are on the border of being just plain silly and a waste of money all to get a prospect onto their showroom floors. They look to their manufacturers and other “experts” for a solution to this chronic problem and the answer, historically, has always been to build better facilities as well as implement more marketing and advertising campaigns. In recent years, some manufacturers have instituted compensation programs that are tied to customer satisfaction scores and other types of survey response programs as a means of identifying areas of opportunity and utilizing these programs to encourage improvement and penalize poor performance.

In the book *Who Moved My Cheese*, the author Dr. Spencer Johnson tells a story about “Sniff” and “Scurry”, two mice, and “Hem” and “Haw”, two little people.

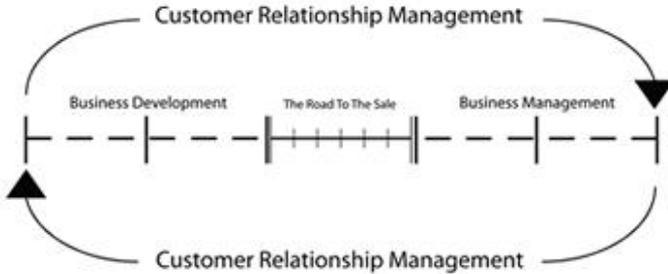
As the story goes both groups live in a maze and have to go out daily to find food. One lucky day, they stumble into a corridor full of cheese and began to eat. Day by day they would come to the same place to get their fill of

cheese until one day, it was all gone. The mice Sniff and Scurry were noticing that the supplies were dwindling and had prepared for this day and so they were off to find new cheese. On the other hand, when the humans Hem and Haw arrived and found no cheese they were angry. “Hem” demanded, “Who moved my cheese?”

You see, they were not paying attention to the dwindling supplies because they thought the cheese would always be there. After confirming that the cheese was all gone they began to complain about how unfair things were and both went home hungry instead of going off in search of new cheese. Day after day they would come back to the same point looking for cheese even though they knew that it was gone.

Dealerships around the world are filled with sales managers and salespeople standing at the door or looking out the window watching the concrete grow while asking, “Who Moved My Cheese?” Their lack of hunting and gathering skills as it pertains to Business Development and their lack of relationship skills are partly responsible for the drought that most dealerships are currently experiencing. That is why salespeople who rely on a single activity such as cold calling or standing around in showrooms to provide them with the bulk of their income are severely handicapped and have a high attrition rate.

This antiquated and reactive approach to selling takes place daily all over the globe when salespeople are unleashed in territories or in showrooms without the proper training that should include Business Development and Business Management as anchors or bookends to the transactional road to the sale process along with Customer Relationship Management serving as the glue that keeps it all together.



The lack of these critical skills is responsible for, not only the failure of most salespeople, but that of businesses and organizations they work for as well. The dependence upon only a singular activity to provide enough “suspects” for salespeople to convert into prospects and then customers is a recipe for disaster. This type of behavior is similar to fishing in a river without the proper tools such as the correct fishing rod and the correct bait to catch the type of fish you’re looking for. Yet still, this is how over 90% of selling organizations conduct their affairs every day and that is why dealerships as well as traditional businesses are struggling and closing at such an alarming rate.

Manufacturers and dealerships are spending an enormous amount of money on brand awareness, advertising, incentive campaigns, facilities upgrades and even free t-shirts to attract consumers only to hand them over to an ill-prepared and untrained salesperson. Very little investment has been made in the areas of personnel recruitment and development at the dealership level, yet as I stated earlier these are the individuals who are ultimately responsible for selling the product and have the last contact with prospective clients that would make all the billions of dollars of research, development, manufacturing and marketing payoff. They are the ones that can impact the customer experience and cause them to buy in a way that

slick advertising and marketing campaigns or incentive programs cannot. People buy from people, not from dealerships. That's it! The elusive answer to increasing sales and reducing the high cost of customer acquisition has always been the correct development of the sales person. He or she is the one who interacts with the customer in order to generate the sales that keeps the business going. When you fix the salesperson, it will automatically impact the sales of the dealership and in turn, easily outperform the competition. It is really that simple.