

A Dealernews Whitepaper

By Alisa Clickenger

BETTER TIMES

ARE AHEAD

How To Survive In The Post COVID-19 Era

Face it, none of us signed up for this. Having the OEMs shut down and the customers locked out of dealer's showrooms right as the season was starting. Seriously? "Game over, man. Game over!" as Private William Hudson (Bill Paxton) proclaims in *Aliens*. Or is it? From chaos comes orders as our own Eric Anderson says... a fact not lost on billionaires like Warren Buffett and Mark Cuban in past times of turmoil. If your business is not Berkshire Hathaway, how do you rebound? According to no less an authority than Inc. "Companies that are preparing to reopen in the coming weeks still need to be in 'survival mode' if they want to outlast the impact of the coronavirus pandemic."

Marilyn Landis, CEO of Basic Business Concepts, which provides CFO services to small companies, spoke at the National Small Business Town Hall, a live webinar hosted by Inc. and the Chamber of Commerce on Friday, April 17. "While emergency relief funding is on the way for many companies and some regions of the U.S. are expected to reopen in a matter of weeks, business owners must focus on keeping their companies afloat in a new environment," says Landis.

"We've got to start thinking about how we can start planning for the spotty, sporadic opening and how we reach across to our vendors, our customers, and our employees to begin to function again." Inc. offers its top 5 tips to meeting the re-opening challenge here:

<https://www.inc.com/graham-winfrey/reopening-business-after-coronavirus-ppp-eidl.html?cid=sf01003>

We have turned to leaders from within our own industry for some strategies to succeed. In no particular order this advice can serve as a road map and pep talk to riding it out for the next two months as the world gets back to business.

1) Don't Make Quick Or Rash Decisions: At moments like these, it's best to stop and give a long hard second thought to what your next move should be. Now is not the time for acting out on raw emotion. Think calmly and rationally. Instead of running off in every direction and burning up financial resources, give all ideas a second thought and look before you leap. By calmly putting one foot in front of the other no matter how tough the times get, this will help you get to the finish line. — Scot Harden

Callout Text: "Never give up. You will experience some of the toughest conditions you have ever faced; you will want to quit a thousand different times, just remember it's never as bad as you think it is." — Advice given to Scot Harden from Dick Bursleson before the start of an ISDE race.

2) Develop A Dealer Action Plan: If you haven't already, the time to act is now. This is your moment of truth. Implementing a comprehensive customer and employee safety program will save lives while providing the best possible service to customers. Dealers have the opportunity to be heroes to their customers. Every motorcycle, automobile, powersports, marine and RV dealership has the talent and resources available for immediate action. Although concentrated outbreaks may force dealerships in affected areas to close temporarily, dealerships that remain open for business must take proactive steps to provide the highest possible safety for employees and customers. — Jared Burt

3) Enhance Your Community: More people are staying home right now and missing the connection they usually get in the work and in everyday life. Dealers can provide that community an inspiration by starting a Facebook group, offering DIY videos or passing on useful (not scary!) information on how to adjust to a new normal. — Alisa Clickenger

4) Regularly Check Your Progress: Once you've made your decision on how to proceed, be ready to adapt and to modify your business plan as new information presents itself. We are all in new, uncharted territory. As the reality of the new business environment shows itself be ready to make changes to your plan. Take advantage of new opportunities and information as they present themselves. Don't be afraid to cut losses if the path you've chosen isn't working out as planned. Those that recognize their mistakes early on and aren't afraid to change direction usually have the best result. — Scot Harden

Callout Text: Safe Practices On The Showroom Floor Dealership policy should prohibit employees to come to work with symptoms of any illness. There is no longer a badge of honor for employees showing up for work sick.

5) Be The Signal, Not The Noise: People are scared and in a period of readjustment. Step up the frequency of your newsletters and offer some real juicy tidbits. Introduce your staff. Talk about how your kid home from college is now free labor in your shop and you are teaching her/him the value of old-fashioned hard work in the family biz. Talk about how this crunch is affecting everyone, including your own business. Talk about the steps you're taking to keep the doors open. People LOVE honesty and you're being real. (Ease into that conversation if you've maintained a more corporate voice in your communications thus far.) — Alisa Clickenger

6) Develop A Virtual Showroom: Dealers need to develop a Virtual Showroom ASAP! A virtual showroom must include virtually “everything” in the dealership. Every item (including vehicles, accessories, parts, apparel and service jobs) available for sale in a dealer’s inventory must be represented online and in real-time. Customers should be able to quickly identify that the dealership has a winch kit for their Kawasaki Mule in stock, what the installation cost is and when it could be installed. Additionally, customers should be able to purchase or reserve every item in inventory (including vehicles) online. — Jared Burt

7) Deepen Your Community Service: Offer a local pickup delivery service for your customers. Engage your go getter customers in this act of kindness. It should now be super easy for customers to purchase vehicles, parts and accessories from dealership inventory with same-day delivery service (within a specified proximity to your dealership). All products in the dealership should be available for this service. — Alisa Clickenger & Jared Burt’s combined ideas

8) Mobile Tech Service: A technician should be able to perform maintenance or simple repairs right where the customer’s vehicle is located. When needed, the technician could provide pick-up and delivery for more in-depth repairs, maintenance and installations. This should be an option for every single customer, for all types of repairs. — Jared Burt

9) Take Advantage Of The Down Time: Make progress on your bookkeeping. Get your staff to reorganize. Redecorate. Clean your shop floor. Get Caught Up! — Alisa Clickenger

Callout Text: Handshaking, hugging and fist bumping are strictly prohibited. Dealership employees operating customer vehicles will wear disposable gloves that are discarded after handling each vehicle.

10) Scheduled Shopping Sprints: When customers prefer or need to visit the dealership, scheduling appointments (especially for vehicle purchases) is even more important now for “crowd control”. It should be unacceptable for customers to spend more than 60 minutes at the dealership. The 6-hour used car buying process is unthinkable now. — Jared Burt

11) Ask For Help: Call your creditors and ask for some grace. OEMs are included in this call for grace as well. — Alisa Clickenger

12) Reinvent Your Business Practices: Lay out how you can still help customers, unless your community is still in complete lockdown. Tell them that you’re observing safe practices and that your customer-facing staff will wear disposable gloves and a face mask. — Alisa Clickenger

13) First Things First: What are the essentials right now? Drop the focus on being in crisis mode and become more solution-oriented. What needs to take place right now in order for you to survive 4-6 weeks of decreased business? What can you do to stop the financial bleed and at the same time sell more higher-margin goods? — Alisa Clickenger

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14) Be Good To Yourself: Take Time Out — Really! — Take some down time and focus on everything you are grateful for. This will help shift your mindset from reaction mode to production mode. Plus, it makes you feel good to catalog all the things that are right rather than focusing on all the things that may or may not go wrong. — Alisa Clickenger

15) Look For Markers Along The Way: There's a good chance someone else has done something similar, so look for signs of their progress. If you are a member of a dealer management group, look for support and advice on what is working for the others. Subscribe to *Dealernews* and don't just skim the articles. Take time to read and digest and absorb the compilation of good information from your peers in the powersports industry. — Scot Harden

Callout Text: Appoint a Dealer Sanitation Specialist to provides ongoing sanitation of all high-traffic areas including doors, counters and check-out stations. Hand sanitizer, disposable gloves and other supplies are replenished as needed. This might be an employee walking around in white gloves with Clorox Bleach wipes and other sanitizing supplies.

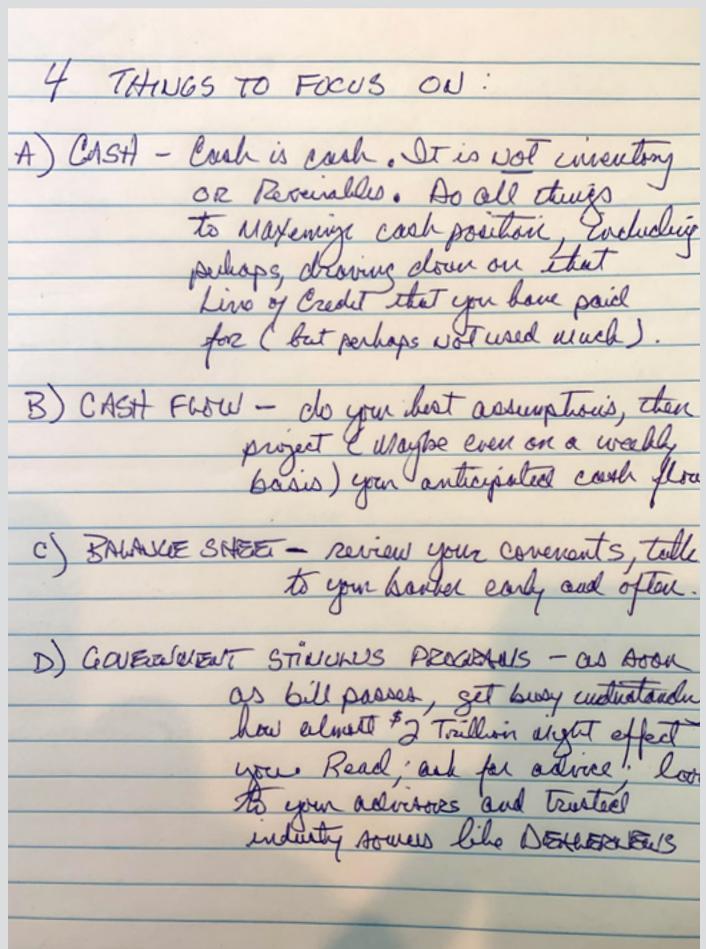
16) Perform Random Acts of Kindness: We can either use this time to distance ourselves and lick our wounds, or we can ask how we can best serve our communities. Dealership staff and clients alike have the same worries, frustrations and fears that we all do. Take a moment and really listen to them and make them feel heard. Small acts of kindness go a long way towards world-class customer service. — Alisa Clickenger

17) Take Control In An Out-Of-Control World: Even before the COVID-19 crisis people believed their lives are spinning out of control. Now more than ever they are seeking ways to regain some sense of personal control and self-sufficiency. What does that mean to you as a powersports dealer? Every brand, manager and dealer should strive for ways to give a sense of control back to their customers. — Dr. Paul Leinberger

18) Change! To survive the retail industry that has undergone a significant transformation... dealers must evolve. Think "buy online, pick-up at store"— a trend that was popular in the 2019 holiday season. Two-day (or even faster) free shipping — Amazon Prime and Prime Now. Daily online shopping specials, in-store augmented reality, the list goes on and on! — Dr. Paul Leinberger, January 2019!

19) Go Digital: Shift most, if not all, of your advertising and marketing to digital. The inflection point has been reached. From now on, digital rules... it's time to get into the online game! — Dr. Paul Leinberger March 2019

20) Use Humor: When left without words, use appropriate humor to convey levity. Spread the message that motorcyclists are resilient, community-minded people and there is no safer (and fun!) place to practice social distancing than on a powered machine. — *Dealernews* 



4 THINGS TO FOCUS ON:

By Bob Althoff

Cash - Cash is cash. It is not inventory or receivables. Do all things to maximize cash position, including perhaps, drawing closer to the line of credit that you have paid for (but perhaps not used much).

Cash Flow - Do your best assumptions, then project (maybe even on a weekly basis) your anticipated cash flows.

Balance Sheet - Review your covenants, talk to your board early and often.

Government Stimulus Program - As soon as the bill passes, get busy understanding how almost \$2 trillion might affect you. Read, ask for advice, look to your advisors and trusted industry sources like *Dealernews*. 