

Managing in the Offseason

Learning from the pros

BY GARY PAGE

Most sports have an offseason. In fact, golf just ended its regular season in August with the Tour Championship held in Atlanta, Ga.

In the offseason, athletes will relax, review their past performance, adjust, practice and train. The offseason is both a physical and mental time to establish a new plan and prepare for the year ahead.

Business is no different. Almost every business has an offseason or a period which is slower than the rest of the year. Most restaurants are slower in January. Many tourists attractions slow down when school starts back. Offseasons are a part of business and must be anticipated and planned for.

Athletes look forward to the off-season, yet business owners are often heard complaining about being slow. Seems we have something to learn from the pros. Preparing for the playoffs starts in the offseason. Creating a plan can help ensure your success during the busy times. Managing our downtime like the pros may look something like this.

Review and Reflect

In any business, as you reflect on the past, there are always positive results as well as actions that need improvement. Using the offseason to review the past year's performance helps to identify what to emphasize and what to work on. During busy periods there is rarely times to make changes and improve. Often we keep repeating the same inefficient procedures or incur extra expenses as we don't have time to adjust and correct.

The offseason is the perfect time to gather the staff and review and reflect. No process, expense, or action should be off-limits. Take the time, since you have it, to find ways to improve, update software, clean the files, and identify all the changes you want to make going forward.

Marketing and Social Media

It's funny how pro golfers tend to pick up their posts on social media in the offseason. Obviously with more time on their hands, they tend to interact with their fans more. Another good lesson for our dealers. Now is the time to develop a comprehensive marketing and social media plan starting with a review of your competitors. There are plenty of excellent

examples of how dealers are using these social platforms to extend their brand, keep in touch with current customers and reach new customers and markets. Developing and executing a social media plan in the offseason should make the task more efficient when the times get busy again.

Financial Analysis and Benchmarking

Every dealer should have funds set aside for the offseason. Call it your rainy-day funds. Slow periods can always be anticipated, and funds set aside can help maintain staff and business continuity. A good practice is to frequently review your monthly financials to determine your average monthly cost of doing business – monthly "burn rate." Financial planners will suggest you put aside 3-6 months of cash (capital) to cover yourself for those rainy days or offseasons. This analysis should be reviewed several times a year as your financials may fluctuate with interest rates, ACV, reconditioning costs and labor.

Another helpful exercise during the off-season is to conduct a benchmarking program to evaluate your key financial and operational metrics to those in a similar business and market. Rather than repeat all the key attributes of a benchmarking program, please refer to the June 2023 issue of this magazine for a comprehensive review of benchmarking.

A capital provider has great expertise in understanding dealer financials. They can help you assess your current state as well as help manage for an appropriate level of rainy-day funds.

Training and Practice

Like athletes, dealers can also benefit from continued training and practice. Knowing the latest title practices, collection tools, and Dealer Management Systems can help you stay current and efficient. Most state dealer associations require continued training and education, and these opportunities can prove to be very beneficial.

Practicing is a little trickier in the dealership world. During a recent visit with one of our Virginia dealers, we discussed how the sales and collections staff are able to stay current and deploy a consistent process.

Surprisingly, the dealer had a specific approach in place to address this very topic. On a monthly basis, all sales, collections and operations staff are requested to do one of two things; shadow a pier for a few hours a day or participate in a lunch and learn where they review situations and brainstorm on how best to execute. The dealer shared a recent situation in which a collector was struggling to contact a customer who had fallen behind on payments – a common occurrence in this industry. The other collectors chimed in offering suggested storylines that could be shared with the references found on the customer's credit application. These unique messages were very powerful and seemed to be well received in making eventual contact with the customer. This simple luncheon helped create an all-new practice for the collections team.

The Playoffs

The most exciting part of any season is the playoffs. For the Buy-Here, Pay-Here industry, most dealers would agree that the tax season is the best time of the year for sales and as exciting as the playoffs. Whether an athlete or a business owner, reaching the playoffs requires planning and preparation. Adding inventory, ramping up marketing, staffing for expanded hours, and securing the capital required to keep the deals flowing all need to be a part of the plan. Address this in the offseason so you can enjoy a front row seat for the playoffs.

Summary

Having a plan for the offseason can provide great benefits, especially when the business picks back up to its normal pace. Athletes are masters of maximizing this time and have offered great lessons on how to use the time to review, revamp, and prepare. We can all benefit from these offseason periods by simply putting together a concrete plan of tasks to execute with a focus on improvement. When tax time returns and the pace is unbearable, you will be glad you tweaked your processes, found new collections ideas, and filled your rainy-day funds. ■

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