

Empowerment  
Solution

*'Empowered Our Employees to Do Their Jobs at a Whole New Level'*

## How the EQUIP™ Business System Changed a Dealership's Culture

If you ask Greg Milstead the biggest benefit of switching to the EQUIP business system, he won't mention typical business systems processes. Rather, he'll tell you how EQUIP changed the dealership culture and empowered employees. "Now they know their number," quips Milstead, operations manager of Larson Farm & Lawn, a four-store dealership based in Rogersville, Mo.

What does he mean—"know their number"?

"The beauty of EQUIP is that it gives relevant employees relevant information," explains Milstead. "Now our employees can go onto the system and check their performance compared to our goals. We set an annual goal for each store's departments, which translates into monthly goals for employees. That monthly goal is their 'number.'"

"EQUIP gives them real-time information on how they are progressing toward their number," Milstead continues. "Employees know what is expected, and they respond. We have smart people. They figure out how to accomplish goals in better ways than management could dictate. And from a management standpoint that is very powerful."

"This time last year, if I had walked up to the parts counter at one of our stores and asked how things were going, I'd probably have heard something like, 'Oh pretty good, we're not too busy right now.' That I can see. Tell me something I don't know."

"Today I could go to that same parts counter, and I'd hear, 'We are going to make our number this month,' and they will turn the monitor toward me and show me how they are on track, or explain how they have a promotion that will boost sales the last two weeks of the month."

**"Now our service managers look forward to monthly reviews.** They know their number, and if they didn't make it, they have a good idea why—bad weather, technicians gone for training or sick with the flu. It has been very rewarding to see how this culture change has empowered employees and helped them search out best practices."

Milstead will tell you it took a lot of blood and sweat to get to this point.

"I totally underestimated how changing business systems would turn everyone's world upside down," Milstead admits. "For example, take the job of a service writer. With the old legacy system, that writer could perform a lot of his or her job with their eyes closed—open a work order, make a warranty claim—it was all second nature."

"Give them a new system, and everything is different. Those simple tasks take much, much longer the first ten times you do them. It's frustrating; they have to work harder to do the same tasks, and their pay is the same. For several months you have a lot of unhappy people in every department."

"The truth is, it's equally frustrating for the managers. But as a manager you have to be positive and encouraging—'It's going to get better.' 'You'll get the hang of this.'—all the while you feel like screaming as well. I had to tell myself, 'Don't let the staff see you put your fist through the monitor.'"

**"It took a good six months for everything to run smoothly,"** tells Milstead, "and now it's a non-issue. Now EQUIP processes are second nature."

Interestingly, as Larson Farm & Lawn expanded, EQUIP helped quickly build a single company image and culture.

"Within 45 days we bought two dealerships and took on EQUIP," recounts Milstead. "People had to change anyway because of the merger, and EQUIP forced everyone to leave their old ways behind."

"Plus, we could blame the new system for the upheaval," laughs Milstead. "Merging cultures is a big hurdle for any organization. EQUIP helped us do that faster. Everyone had to change, even the parent company, so there was no one to blame but the new business system. All that was actually good for us."

Now that they have been using EQUIP for a year and a half, Milstead is seeing real management advantages.

"EQUIP gives us the ability to look at information at a high level for the whole organization," he states, "and with a few clicks drill down



to the store or individual department level. You can get information quicker and easier so you can make directional decisions. And it's great that I can 'date range' information and get fast apples-to-apples comparisons—this month to last month, this first quarter to last year's first quarter, between stores, or between departments."

"EQUIP gives you access to real-time information, which is nice but potentially a problem if you are not careful. It's a little like watching the stock market in real time. You see the numbers change before your eyes and you can overreact to what shows up at any single point in time. I like to say: 'Be real careful with real time.'"

What would Milstead recommend to other dealers considering updating their business systems to EQUIP?

**"First, set the expectations with employees.** It will turn their world upside down. It will require blood, sweat, and tears. But things will get better, and all the pain will eventually be worth it. Change is tough—you just have to deal with it."

"Second, make sure your books are in order before you switch. If things like your balance sheet, general ledger, and inventory are not up to snuff, you will have big problems. EQUIP has a checklist of recommended items to have in order."

***Thanks to the EQUIP business system, employees can see how their departments are progressing toward short-term and long-term goals. Here Bobby Chrisman (right), store manager at Larson Farm & Lawn, Harrison, Ark., shows Greg Milstead how each store department is progressing toward its monthly goal.***

Follow that checklist before you start. This is a pay-me-now or pay-me-tenfold-later kind of deal.

"Third, during the conversion, consistently show your employees that progress is being made. Give them pats on the back. Point out, 'You just opened a work order in four seconds. Remember how you used to struggle. We are making progress.' And, of course, never let them see you put your fist through the monitor."

"Now I hope I didn't give the impression that EQUIP is some bed of roses," sums up Milstead. "There are wrinkles that are being ironed out. But Deere is standing behind this system and making steady improvements. That's why we chose EQUIP rather than some other system. We liked that Deere is committed to this, and we don't have to deal with some other vendor. But these wrinkles are minor compared to how this system has changed our dealership culture and empowered our employees to do their jobs at a whole new level." ■