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Automation - the key to - Right-Sizing Support Staff

Better support to operations staff ratios translates to better profits

A prerequisite of having a right sized support staff levels is the proper utilization of available computer tools

First, right-sizing is not the same as down-sizing. My definition of down-sizing is when business volumes decrease requiring a corresponding decrease in staff levels.

Down-sizing does not relate to the quality of the dealerships processes or the support staff's expertise. Down-sizing is merely a business volume issue. When business volumes decline you must downsize (lay people off) to stay in business.

But, on the other hand wrong-sized staff levels can be present in any business situation. That is regardless of if business volumes are constant, increasing or decreasing. Wrong-sized levels of support staff is directly related to their expertise and the quality of the processes they use.

When there is a problems with staff levels there are a number of issues that must be addressed. Issues such as paper flow, proper communication and training.

In my experience once you have the right person with the right attitude and basic job skill training the principal prerequisite to having a right sized support staff levels is the proper utilization of available computer tools.

Doing things manually when automation is available requires more staff and costs you money.

Ok, this brings us to the famous sixty thousand dollar question, how do you know if you have too many or too few support staff? The answer is that there is a proven ratio, based on the number of people employed by the dealership which when applied properly will tell us if you have the correct number of support staff. There is a ratio for each productive department as well as accounting. If you consider that all of the dealership's

key revenues come from either vehicle sales or parts and service sales then it follows that operations support staff numbers for each department must correlate directly to the number of sales people, technicians and front counter parts people you employ.

The accounting ratio is a little different in that it is based on total dealership personal. For now let's focus on the accounting staff ratio.

For dealers with total employees around forty or more a good ratio is fourteen dealership employees for each accounting person. For smaller dealers it is very difficult to get to this ratio because of the minimum level of accounting staff required to get the job done.

In my dealership computer utilization engagements I often find ratios of ten to one or even less. Always and I mean always the support staff ratio can be dramatically improved with improvements in basic computer utilization of core features that most dealers already own.

This brings us to this month DMS instructions, setting up and using the accounting department's standard and recurring entries features. Using this computer tool with save serious time and improves accuracy. Standard and recurring entire automation is designed for items such as accruals, depreciation, and pre-paid expenses. For most systems items setup as standard entries will post automatically when performing month end procedures. If there is a reversing entree required the entree will be performed AUTOMATICLY (caps intended). For recurring entries you simply pull them up and post to the current, open month.

Please keep in mind that this is only one of a lengthily list of computer tools on our utilization list that are required for right-sizing support staff levels. Please perform your own analysis of your dealerships support ratio. If you come up short please, please don't blame the staff themselves. In my experience they are usually the victims of poor training or even bad computer setups. If you consider that most of the training is provided by your DMS company with trainers who are computer experts but have little or no experience performing the actual jobs they are training your staff on it is little wonder results are so inconsistent.

The thing is investing in computer utilization improves the core competencies of support staff which translates to lower employee costs and higher productivity. How much lower are the costs you ask? Well, first perform you support staff ration analysis and you are on your way to the answer.

For Arkona Users

From the ACCR menu bar select Inquires, Inquire posting by date. Enter the requested information, using your mouse or tab key to move between fields. Press the Inquire button to produce the screen listing the transactions related to your inquiry specifications. Select the print command button to print the information. *Submitted by Bevan Weed Customer Support Manager for Arkona, Inc.*

For ADP Users

AGJR - Create Recurring Entries

Use function AGJR to create journal entries that are repeated every month or other time period. Typical recurring entries include depreciation, insurance, and fixed overhead costs. Before you can post recurring entries, you must set them up through AGSJ- Set Up Journals. You can set up one or more recurring entries for each journal.

All recurring entries that have been set up must be posted before you can close your accounting month with AGME - Close Accounting Month.

If you use AGJR to post estimates in the month when expenses are incurred, and then reverse the entry when the actual bill comes, you can set up automatic reversals in function AGSJ. *Submitted by Jim Skeans of Jim Skeans Consulting Group LLC*

For Dubuque Data Services Users

This option within the DDS system provides a means for maintaining and processing journal entries that are of a repetitive nature, (for example, performed every month). An example might be a journal entry for building depreciation. To set up a recurring journal entry, (RJE), they must first be set up in General Ledger, 8.6.6. This allows the user to set up which journal entries need to be entered each month. To actually process the RJE, the user simply goes into General Ledger, 8.1.1.2. Once the RJE are entered, the user may run an edit report to verify their entries before they are posted to the GL. *Submitted by Theresa Steinhoff, Dubuque Data Services Support Lead Analyst*

For Reynolds + Reynolds Users

Select executable Standard Entries Journal (0873) to add standard and recurring entries to be posted every month. If you want to assign a start/end date at the STARTING DATE prompt, enter the first month and year to post the standard entry in the MMYYYY format, otherwise press return. Please note, a starting date is required for a recurring entry and defaults to the current period and you cannot enter a starting date prior to the current month and year. Enter the ACCOUNT number and amount to update. Be sure to enter a DESCRIPTION of up to 26 characters to describe this entry. The description prints on the journals and schedules. Repeat for all accounts. Standard entries are automatically posted for the new month when you run Auto Month End Procedures (0710). For example, when you run EOM for March, standard entries are posted for April. *Submitted by Jim Skeans of Jim Skeans Consulting Group LLC*

Jim Skeans is the president of Jim Skeans Consulting Group LLC and has been in the automobile business for more than 35 years. Jim is a former senior consultant for an international automotive consulting group and has served in all of the traditional dealership management and staff positions as well as director position with a large national dealership group.