



CAPRICORN

...it's just easier!

Other resources in step 6e:

- Jeff Smit talks about investment in technology in this short video

Investing in tools and equipment

For workshops to survive and prosper into the next five to 10 years, workshop owners and their staff are going to have to invest in tools, equipment and training.

Workshops that don't invest are going to struggle to survive.

There were 17.6 million motor vehicles on Australian roads at the start of 2014, and of those 13.3 million were passenger vehicles. These numbers are high enough, but now consider the variety.

Australia is the most competitive car market in the world. For a relatively small market that comprises only 1.5 per cent of global automotive production, Australia has 67 vehicle brands and over 350 makes and models of light vehicles. This is more brands than in the UK, the US or Canada. (Source – Federal Chamber of Automotive Industries FCAI)

Aftermarket workshops are expected to be able to service and repair all of these vehicles. At the same time, they are expected to keep up with the rapidly changing technology under the bonnet.

The modern motor vehicles now starting to find their way into the aftermarket workshops are full of highly sophisticated electronics.

To efficiently diagnose and repair these vehicles, most workshops will need to purchase new tools and equipment as well as invest heavily in the training required to even use of this equipment.

A common comment is 'I can't afford it'. The question which should be asked is 'Can you afford not to invest?'

Take the humble scan tool. Many workshop owners bought the first ones on the market more than 10 years ago, at great expense. Most of the early ones were more than \$10,000 each.

Many workshops introduced a scan tool fee to offset this large investment. Using a scan tool on a diagnostic job was regarded as just another part number.

It became normal practice to divert the scan tool fee into a scan tool purchase fund. As one was paid off, the fee was used for the next scan tool purchase and upgrades. One scan tool was originally thought to be plenty, but because of the number of vehicle makes on the roads, in some workshops, ten scan tools are not enough.

Another essential investment is for data or information. Good data costs money. Many workshops then introduced a data fee on every repair job where data needed to be sourced and, like the scan tools, the fee was devoted to the annual purchase costs of data. Applied correctly, this fee can often generate a profit, reinforcing the notion of 'investment'.

Indeed any investment in a workshop should deliver a profit. On that basis, there should never be hesitation about purchasing tools or equipment which makes the workshop more efficient and productive.

Workshop owners need to plan for massive changes in the next decade, and they need to identify where they want to be in the market.

Does the workshop want to be seen as up to date, with ability and capacity to be able to repair late model vehicles, or just as a workshop that does the oil change.

Many surveys have shown that the average motor vehicle owner is looking for a workshop that can not only do the routine service, but also manage any repairs when something goes wrong. They want a one-stop shop.

If a workshop has to turn away a customer because of a lack of tools or information, that customer is most likely lost forever.

In making the decisions about tool, equipment or information purchase, it is best not to do it in isolation. Ask around. Check with fellow technicians to see what they use, what works and what doesn't.

Tapping into a knowledge network, like Capricorn or TaT or any others is invaluable for research into equipment.

Once you've made the investment in tools, information and training, don't keep it to yourself.

Spread the word to the most important people – your customers.

They need to be reassured that yours is a progressive and well trained workshop, where they can feel comfortable that their car will be well cared for, and kept safe.

So consider where you want your workshop to be positioned in five years time and plan the steps you need to make now to ensure that you and your staff get there.

The place to start is www.tatbiz.net.au/capricorn

Just go for it!