

**HIRE BETTER  
NOT MORE**

**Real-world Advice for Creating a  
Winning Culture**



Dealertrack DMS 

COX AUTOMOTIVE



# JOHN GRACE

**AVP OF FIXED OPS & DMS**

Cox Automotive, Atlanta, GA

[john.grace@coxautoinc.com](mailto:john.grace@coxautoinc.com)



# TOM STOCCO

**Chief Financial Officer**

Van Horn Auto Group

Plymouth, WI

[tstocco@vhcars.com](mailto:tstocco@vhcars.com)

# Van Horn Automotive Group

The screenshot displays the Van Horn Automotive Group website. At the top, there is a navigation bar with the Van Horn logo and the tagline "Family Born. Employee Owned." Below this, a row of brand logos includes Chevrolet, Ford, Chrysler, Dodge, Jeep, Ram, Fiat, Hyundai, Mazda, Nissan, and Volkswagen. A search bar with the text "Inventory Search" is also present. The main content area features a large banner with the text "VIEW INVENTORY FROM ALL OUR LOCATIONS" and a search filter interface. The filter interface includes dropdown menus for "New and Used", "Any Type", "Any Make", and "Any Model", along with a "FIND MATCHES" button. The banner also features a photograph of a Chevrolet dealership with a sign that reads "CHEVROLET JOE VAN HORN" and "VAN HORN". Below the photograph, the text "FAMILY BORN. EMPLOYEE OWNED. Learn our Story" is displayed.

- Employee Owned
- 550 Employees (and growing!)
- Operating in 2 states
- Been in business since 1966
- Started as a single store in Plymouth, WI
- Now have 16 stores in the group

**3.7%**

National unemployment rate





# People Business of Selling Cars

1. In 2016, employee turnover at dealerships in the United States **increased by 3%** (from 40% to 43%).
2. Each sales person that leaves a dealership can cost the bottom line **\$45,000**.
3. Total turnover cost per dealership averages nearly **\$439,000 annually**.



**“The difference between a mediocre dealership and a great dealership is the strength of its people...improving the people side of automotive retail is the last great return on investment available to dealers.”**

– Adam Robinson, CEO of Hireology



**DOOM IS  
INEVITABLE.  
GLOOM IS  
OPTIONAL.**  
– SETH GODIN

The average tenure of a dealership employee is 2.4 years.

And for sales consultants, it's just 18 months.





# 5 STEPS

## TO REDUCE TURNOVER IN THE AUTO INDUSTRY



### STEP 1

Improve  
Training



### STEP 2

Develop  
Company  
Culture



### STEP 3

Adjust  
Hiring  
Practices



### STEP 4

Tie Hiring  
Strategy to  
Business  
Strategy



### STEP 5

Try  
Something  
New



# Improve Training

*Top performing dealerships are more likely to provide formal training to their employees (57 percent versus 40 percent of the poor performers).*

*- McKinsey & Company*



# Improve Company Culture

*Companies that provide ample employee recognition have 31% lower voluntary turnover rates than companies that don't.*

*- Deloitte*

# Adjust Hiring Practices

## 8 THINGS TO AVOID IN YOUR HIRING PROCESS

1. Hiring someone without properly vetting for a sales position just to “fill the seat” quickly
2. Hiring someone after only 1 interview by a single manager
3. Failing to have a list of reasons to work for the dealership
4. Overselling the position (for instance, telling a sales position applicant that its easy to make \$100k a year)
5. Not doing a background check or checking references
6. Keeping applicants waiting past the appointed interview time
7. Not worrying about impressing the recruit
8. Hiring a training class of 10 applicants for just 2 or 3 open positions





# Hiring Strategy = Business Strategy

1. Employee satisfaction and happiness,
2. Voluntary turnover rate,
3. Involuntary turnover rate,
4. Retention rate by department and manager, and
5. Training expenses per employee.

In addition, dealerships should calculate the true cost of employee turnover, which involves more than an individual worker's annual salary or hourly wage.

Try Something New



DEALERS WHO  
PRIORITIZE  
PEOPLE, WIN.



# THANK YOU

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