

Power of SOPs – The Systems-Driven Business

By Dave Luehr | 18 March 2020

I often ask shop owners, “Do you feel as though you own your business, or does your business own you?” I’ll bet you can guess which answer I typically receive. As a technician-turned-business-owner myself, I too know the pain very well. For many it is a feeling that working harder does not yield the desired results, leading instead to burnout, depression and hopelessness.

I recently met with such a person that had just turned 72 years old and had not taken a vacation with his wife in eight years! Here was a man, let’s call him Carl, whose dreams of a distant retirement seemed more and more unattainable with each passing day. Carl’s business was a mess and his personal life was no different. Sadly, even though he had capable employees, he felt he could not leave the shop for any length of time without things falling apart. Poor Carl was operating an ‘owner-driven’ business or, more accurately, he was a ‘business-driven owner!’

When I talk or write on this subject, I try to remember to pay homage to Michael Gerber’s book, [The E-Myth Revisited](#). No one that I know of has done a better job accurately assessing the struggle of technicians-turned-business-owners. The ‘myth’ is the idea that technicians open their own businesses because they are ‘entrepreneurial.’ This is simply not the case. In my case, for example, I opened my first shop because I hated my boss and thought I was a good enough car painter that I could make it work without a boss. Sound familiar?

As technicians-turned-business-owners, this is where we start to get in trouble. At first, it’s great because we discover we actually *can* do this business thing and even make a little money. It’s hard work but we are confident that, besides having no business skills and no written processes, we will somehow be successful. Well, at least as long as we’re able to personally be there to oversee it all! And then we blink, life flies by (and not in a good way!) and, boom! You’re Carl at 72 years old.

Does this sound depressing? It sure does! I know because I lived it early on, and I have seen the hopelessness in the faces of many great men and women that have been reduced to a mere representation of what they could have been, had they built a systems-driven business instead.

The Systems-Driven Business

Many years ago, long before it was fashionable in the body shop industry, a company was created called MAACO. The business name came from parts of its founder’s name, Anthony A. Martino, who was also the previous founder of AAMCO as well as other popular automotive brands in later years. Mr. Martino, besides having been an auto mechanic himself, was also the epitome of an entrepreneur and built one of the industry’s first franchise-style businesses.

His business models proved so successful that Mr. Martino received many awards in the business world and many other industries copied his franchise business models. He built an extremely successful, ‘systems-driven business’ that was not dependent on his presence in each of the hundreds of MAACO locations. Yes, he too started out as a technician; however, he found as much or more passion working *ON* his business as he did working *IN* it. Do you see this extremely important distinction?

These days, larger collision businesses continue to grow, while far too many smaller ones are struggling more than ever. Shop owners who are stuck in the ‘[victim zone](#)’ claim that the ‘big guys’ have unfair advantages of scale. They don’t realize that all of the ‘big guys’ started out just like they did: with one location and a dream!

The difference is that the big guys at some point decided that, in order to grow beyond the capabilities of the owner-driven business, something needed to change. New lessons needed to be learned. New business skills acquired. SYSTEMS DEVELOPED!

Whether you are operating one location or many, **developing repeatable systems that allow for consistent repeatable results must begin with standard operating procedures.**

Customer-centric Processes

I won't be calling out any big businesses by name for their apparent lack of emotional presence when it comes to dealing with customers. I will, however, admit that many of these businesses seem to have become so focused on SOPs that lead to a meaningful outcome for their shareholders, that they somehow forgot who their **real** customer is.

Don't let this be you! It is both critical and a big organic growth opportunity for small and medium-sized businesses to 'own the customer' for life by building processes that always focus on them and their vehicle's safety qualities first. I call these *Customer-centric* process and outcomes.

As a business owner moving forward, it is so incredibly important to build processes that remove waste from your day-to-day activities while providing as much value to the customer as possible. This is the secret formula of a great operational system. Reduce waste... Add value. The successful execution of a system built around these simple principles is at the heart of a business owner's freedom from business oppression!

SOP's Effect on Employee Morale

If the business you work in has frequent re-works, constant crisis management, and a general lack of interest in meeting the boss's expectations, the problem often lies in the absence of clear job expectations. Poor leadership is often blamed for a culture of chaos and morale issues. While this is absolutely true, it is leadership's ability to implement good processes and hold people accountable to following them that are an important leadership building block of a winning culture in any business. Employees crave this stuff, so give it to them!

Conclusion

In next month's article, I will share some basic steps you can use to build SOPs for your shop. Until then, my hope is that you will take time to deeply ponder the important messages contained in today's article. I believe that most any technician-turned-business-owner can remain successful if they become as passionate about working on their business as they are about working on a car.

Whether you want to franchise, sell, grow multiple locations, or pass it down to your children, you must always build it "turn-key" which will help you in any of these scenarios. You and I both know shop owners that somehow managed [to grow to three, maybe four locations](#), and then everything started going to hell in a hand basket. The reason is almost always the same: the business is reliant on him or her instead of proven systems. One person can only stretch so far... Right Carl?

Next month – tips on creating effective SOPs yourself! [Click here to sign-up for our newsletter](#) and join the Elite Body Shop Academy (for free!) and we will email you when we post a new blog as well as sharing valuable educational content.