

Education vs. Training

So what's the difference between these two pursuits?

By *Richard F. Libin*

What is the difference between education and training? Education develops the faculties and powers of (a person) by teaching, instruction, or schooling; to qualify by instruction or training for a particular calling, practice, etc. It focuses on the individual and his or her ability to make a contribution.

Training gives the discipline and instruction, drill, practice, etc., designed to impart proficiency or efficiency. It focuses on a specific, finite task.

Let's take a closer look at how education builds from one level to the next:

Pre-school: provides a good foundation in personal, social and emotional development, knowledge and creativity that enables individuals to become more confident and able and ready to learn much more as the years go by.

Elementary School: achieves the best possible intellectual, moral, social, and physical development of the individual while developing the potential of each person and to preparing them for the responsibilities and fulfillment of adulthood.

Middle School: introduces a broader range of exploratory courses and activities in order to assist young adolescents to discover and develop their interests and abilities through teacher-adviser programs, extracurricular activities, and core curriculum.

High School: prepares students for a meaningful life; to be a good citizen, economically self-sufficient and respectful of themselves and others; to ensure that all students leave ready for college, jobs and/or civic involvement.



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College/University: takes middle school and high school imparted knowledge to the next level, prepares individuals to specialize in a particular field and empowers the student with life skills that enable him to contribute positively to society.

Post-graduate Study: provides advanced learning in specialized disciplines, an in-depth understanding such that the student becomes something of an expert in the topic of study; prepares students for today's diverse careers in the public and private sector, or for continued study.

Education should never stop, yet in the automotive industry the focus has shifted to training, and minimal training at best. New hires are typically given collateral, a video, an office tour and introductions, shown their desk, phone and order pad, and expected to jump in.

To augment this, sales trainers are continually advocating new techniques, workshops and seminars, all designed to provide quick fixes that will jump start sales. At APB we call that "flash in the pan" training. In reality, these fixes simply offer a brief burst in sales that dies out just as fast.

In fact, when analyzed over a two month period these bursts only move

business from the following month and into the current month; the two-month average stays the same.

It seems like everyone is always looking for something new without having mastered the basics. Until 100% of the customers coming in get a demo no one will have earned the right to "try something new."

The bottom line is that retail teams in automotive dealerships don't need training to succeed; they need education, an ongoing process of growth that builds on previous lessons and provides structure, but that never ends.

Professional education is a lifelong process that should be facilitated by every dealer and embraced by every employee, from manager to greeter. Every day something new emerges that requires learning and has applications for our business.

Today we have YouTube, Twitter, Facebook, eBay, an "app for that" and on and on. People can get virtually anything, anytime, anywhere. When individuals stop learning they stop growing and in our business, if they stop growing they quickly will be left behind.

In today's market, ongoing education is an investment not an expense. No longer can a dealer capture a good share of the market simply by having a quality product. Dealers need to find ways to separate

their operations from their competition. Good service and properly trained people certainly are on the top of anybody's list of ways to get that done.

At the "pre-school" level, professionals are generally new to the industry and require training in the basics including:

- Introduction – hours of operation, technology and tools available, PDA, CRM, etc.
- Sales orientation (product / service training)
- Sales administration – resources at your disposal
- Dealership culture and guiding principles
- Job description – not selling, but helping customers select the exact car that fits their needs

The processes unique to the dealership including the methods used to greet and capture important data from every customer

How to ensure that each customer understands that the dealership is the single destination for all their transportation needs

As employees advance, their progress should be monitored against clearly established and communicated goals. If challenges arise, they should be viewed as indications of the need for additional education in that particular area that can

complement ongoing education.

More advanced programs allow individuals to hone their skills or concentrate on specific areas. These may include:

- Key Account Management
- Customer Service Excellence Training
- Sales Training
- Telephone Sales Training
- Sales Management Training
- Prospecting
- Customer Relationship Management Training
- Negotiation Skills Training

As a manager, it's important to quickly gain an understanding of what level each employee is at, from "elementary to post-graduate," and to provide educational opportunities that build on each employee's existing knowledge.

APB takes a customer centered approach, realizing that it is the customer's perception that must rank high in any successful and enduring Sales and Service approach.

Just as important is the collection of meaningful data that provides the basis for analysis and interpretation for any improvement plan.

The "Red Carpet Treatment" or treating the customer right must always be the basis for the Sales and Service process. When sales and customer satisfaction go down, it

is often because the dealership tried something new and forgot the basics.

A consistent process helps dealerships keep to the fundamentals and establishes measurements to identify ways to improve.

Education is also essential for the leaders of a dealership, those that have learned the importance of providing the resources needed to get the job done; those who choose to concentrate on becoming all that they can be – not on trying to beat their competition.

They must become personally involved and demonstrate the value in ways that their people can understand. Managers must demonstrate by example the lessons taught to every employee and set the tone that everyone can follow. When they do, they are supported by an army of well-educated staff that executes on the lessons they've learned.

Ongoing education represents an opportunity to grow people, profit and performance. A dealership's investment shouldn't be in the brick and mortar, but in its people. Buildings don't sell cars, people do and until that is realized they will always be a step behind. Dealers today aren't money broke, they are people broke. ■

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Vehicle Sales Are Rebounding But Beware of Wet Blankets

ORLANDO, FL – A recovering U.S. economy is driving growth of weak new-vehicle sales, but plenty of risks remain in the market, a leading forecaster says.

"If we don't remain disciplined, we could get back into our bad habits," says Jeff Schuster, executive director-automotive forecasting at J.D. Power & Associates.

Schuster points specifically to keeping production in line with demand, a delicate balance that was thrown out of whack in 2008 and left thousands of vehicles collecting dust as consumers reined in spending.

The deadly combination drove the newly reorganized General Motors Co. and Chrysler Group LLC into bankruptcy.

"Don't over produce," Schuster warns at a J.D. Power conference prior to the opening of the annual National Automobile

Dealers Assn. convention here. "Have the right level of capacity."

So far, capacity has come down to more reasonable levels, with the Detroit Three taking out some 10%. But too much still remains, Schuster says, and only will grow in coming years with more auto makers, such as Hyundai Motor Co. Ltd, expanding their presence in the U.S.

"So a risk for the industry to fall back into its bad habits exists," Schuster says, fearing a return to the days when deep discounting kept vehicles rolling out of factories but eroded profitability for both the auto makers and their dealers. "If someone breaks ranks, it becomes chaos."

An influx of smaller, more-efficient vehicles will satisfy consumer demand as fuel prices once again begin rising. But a fleet with 60% to 65% small cars and cross/utility vehicles by 2010, as J.D. Power forecasts, might be too much.

"Consumers are open to small cars," Schuster says, "but I don't think they are ready for the barrage that is coming."

Buyers will need time to adjust to small cars with higher content and higher sticker prices, he adds.

But a general improvement in the U.S. economy is driving optimism at J.D. Power.

J.D. Power's forecast calls for 11.7 million light vehicles in 2010, up 13% over 2009.

The company sees the industry reaching 15 million unit-sales annually by 2012, with retail deliveries comprising 12.5 million of that total.

"Slow, steady growth, but growth," Schuster says.

Among the reasons: New-car loans are a bit easier to come by. "Credit has come a long way," he says, "(but) it has a long way to go." ■

– By James M. Amend