

**ACTIONABLE TIPS FROM MDCE'S BRIGHTEST DEALERS**

FEBRUARY 2010 e-WHITE PAPER

# Boating INDUSTRY

TRUSTED SOURCE. PROVEN SOLUTIONS.  
REAL RESULTS.

30

BEST  
IDEAS

Presented by:



NORMAN+SPENCER  
**MARINE**  
INSURANCE

The logo for the Marine Dealer Conference & Expo, featuring a blue square with a white wavy line graphic, followed by the text "MARINE DEALER Conference & Expo".



## 30 Best Ideas



**WESTMAR MARINE  
INSURANCE SERVICES**

**MARINE INSURANCE SERVICES**



To Our Friends in the Recreation Marine Industry

For over 30 years, we have provided cost saving risk management and insurance services to the Recreation Marine Industry. Our commitment has helped our clients reduce their overall costs and properly protect their assets so they can operate their business efficiently and effectively.

This commitment to the Recreation Marine Industry goes beyond our day to day service. We both are current Board Members for Trade Associations. Our entire staff shares this commitment through their dedication to your industry and your trade organizations as well as their desire to pursue continued training to fully understand your business more thoroughly.

For over 20 years, we have been the endorsed provider of insurance services to the Marine Retailers Association of America and the Marina Recreation Association.

It is through this commitment to you and your industry that we are pleased to sponsor the MDCE Best Ideas Program brought to you by *Boating Industry* magazine. We hope that the ideas presented here will assist you in developing new ideas and programs for the operation of your business.

We value our partnerships with our clients, the MRAA, the MRA and *Boating Industry*, and most importantly, our partnership with the Recreation Marine Industry.

We are confident that this information will be a valuable asset to you now and into the future.

Sincerely,

RJ Lorenzi  
rjl@aquapac.com  
P - 209-384-3034

License No. 0642740

Mark Yearn  
markyearn@norman-spencermarine.com  
P - 810-360-0757



Presented by:



Boating Industry

2

[www.boating-industry.com](http://www.boating-industry.com)



## 30 Best Ideas - Letter from the Editor



Dear marine business professional,

As the 2009 Marine Dealer Conference & Expo drew to a close in November, most dealer attendees walked away with a new sense of optimism and industry partnership to take back to their business. While speakers' outlook for the year ahead was sobering, the tools, ideas and advice attendees collected instilled in them the confidence that they could improve and grow, regardless of economic conditions. In addition, the opportunities to network with each other, speakers and exhibitors often provided access to previously unknown resources to aide in the challenges ahead.

Contributing to that feeling was the inaugural MDCE Best Ideas Program, which was designed to support and reward one of the conference's core principles: dealers learning from dealers. The program invited conference registrants to submit the single best idea implemented in their dealerships over the past year. A panel of expert judges read and scored all 30 of the ideas submitted, which resulted in a field of six finalists, each of whom presented their idea during an MDCE panel discussion. Attendees voted for their favorite, and the Grand Prize Winner was awarded a brand new Acer Aspire One 10.1" netbook computer.

As one of the most exciting additions to this year's MDCE program, it's no surprise that it was also one of the most highly rated seminars by dealer attendees. Further, in post-conference surveys, the six best ideas were among the tips and advice most likely to be implemented by dealers in the weeks following the event. Now, with this e-white paper, the program's benefits can continue to be realized.

All 30 best ideas, the topics of which range from inventory management and financial controls to marketing and sales, are included in this, *Boating Industry* magazine's eighth e-white paper. In partnership with Norman-Spencer/Westmar – Marine Insurance Specialists, who helped to make this publication possible, we are thrilled to offer this actionable content. The best ideas submitted by the program's Grand Prize Winner and five runners-up are noted in the table of contents, but all of the ideas have merit, and together they serve as an incredibly valuable tool to help dealers plan for success in the year ahead.

Best wishes,

A handwritten signature in black ink that reads "Liz Wenz".

Senior Editor  
*Boating Industry* magazine

Presented by:



# CONTENTS

## MARKETING & EVENTS

### 6 **Advertising increase**

Fred Book, Marine Center of Indiana (No. 2)

### 9 **On-site radio advertising and information**

Eric Splatt, Woodard Marine (No. 7)

### 12 **Frozen drink mixer**

Sara Hendrickson, South Shore Marine (No. 13)

### 13 **Traveling boating seminars**

Carly Poole, Buckeye Marine (No. 14)

### 16 **Boaters' weekend**

Wendy LaLonde, Hutchinson's Boat Works, Inc. (No. 19)

### 17 **Golf club partnership, Jeff Wilcox**

George's Marine & Sports (No. 21)

### 18 **Fundraiser/anniversary celebration**

Jeff Wilcox, George's Marine & Sports (No. 22)

### 21 **Cruise Club video for prospects**

Paula Fulton, BMC Boats (No. 27)

### 22 **Regional in-water boat show**

3A Marine Service, Inc. (No. 29)

## CUSTOMER SERVICE

### 5 **On-water orientation/delivery process**

Phil Miklo, Oak Hill Marina, Inc. (No. 1)

### 6 **In-house mobile phone leads program**

Jim Thorpe, Spring Brook Marina (No. 3)

### 9 **Gift for boat buyers**

Nancy Smith, Colorado Boat Center (No. 8)

### 19 **Customer service policy**

Lynn Fiorenzano, Silver Spring Marine, Inc. (No. 25)

## SALES

### 7 **Free outside storage promotion**

Chuck Guthrie, Lynnhaven Marine (No. 4)

### 7 **Advertising of current model year product**

Dennis Davidson, Pioneer Hills Marine (No. 5)

### 8 **Trade coupon check**

Lauren Woodard-Splatt, Woodard Marine (No. 6)

**GRAND-PRIZE WINNER**

### 14 **Trade-in promotion for service/storage customers**

Chris Poole, Buckeye Marine (No. 16)

### 19 **"Approved For Trade" stamp**

Mark Watts, Liquid Sports Marine (No. 24) FINALIST

### 20 **How to increase margins with boat sales**

Jerry Brouwer, Action Water Sports (No. 26)

### 22 **Oil exchange program**

Nick Olzenak, Alaska Mining & Diving Supply (No. 28)

## SERVICE

### 11 **Post-service analysis**

Rob Youker, The Sportsman (No. 10)

### 11 **Pit crew team**

Bryan Collins, South Shore Marine (No. 11)

### 14 **Winter work program**

Barry Bensz, B & E Marine (No. 17) FINALIST

## FINANCES AND OPERATIONS

### 10 **Tax-free succession plan**

Randy Kelly, Kelly's Port (No. 9)

### 12 **On-the-business meetings**

Chuck Thompson, South Shore Marine (No. 12)

### 13 **Team-focused expense cutting**

Gary Poole, Buckeye Marine (No. 15) FINALIST

### 16 **ABCs of inventory management**

Roy Parker, Parker Boat Company, Inc. (No. 18) FINALIST

### 17 **Internet security system**

Wendy LaLonde, Hutchinson's Boat Works, Inc. (No. 20)

### 18 **F&I outsourcing**

Jeff Wilcox, George's Marine & Sports (No. 23) FINALIST

### 23 **Communications policy**

James Baker, Seattle Boat Co. (No. 30)

Presented by:





## 30 Best Ideas

# On-water orientation/delivery process

Phil Miklo, Oak Hill Marina, Inc.

### BEST IDEA:

Our “first class on-water orientation/delivery process” is considered to be one of the most important processes at Oak Hill Marina, if not the most. Our delivery process starts with an introduction of the customer to our delivery captain, a certified marine instructor, near the front door of the dealership where the customer’s name is posted on a “new boat owners” board. Between the salesman and the delivery captain, the customer is greeted with a gift bag and a cold water or soda for the scheduled two-hour, on-water orientation, and then escorted to their new boat, which is already in the water waiting for them.



- A photo of the gifts given at delivery, as well as a PDF of the delivery checklist.

### OAKHILL Marina Delivery Checklist

<b>Safety Checklist</b>	
PFD's	Registration Throwing
Fire Extinguisher	
Startup Procedures	
Battery Switch	Altimeter
Batteries	Hour Meter
Tether Switch	Starting Alarms
Trim/Drive	Depth
Individual Switches	Steering
Circuit Breaker/Fuses	Bow/Stern Light
Dashboard Review	
Temp	Fuel
Speedo	Alternator
Time	Hour Meter
Oil Pressure	Starting Alarms
Individual Switches	Depth
Circuit Breaker/Fuses	Steering
Engine Compartment	
Power Trim Fluid	Power Steering Fluid
Outdrive Lube	Annual or 100hr Service
Engine Oil/Every Full up	20hr Service (NEW)
Okoboji Water Safety (DNR BOOK)	
No. of People	Boat Name
Swim Area	Registration #
Rock Point	Narrow
Rock (Danger)	Major Points
Comments:	
Customer:	Specialist:



[Click here for the document](#)



[Click here for photo  
of new owners board](#)

Presented by:



back into the process. At this time, the salesman presents the customer with their photo and sees the customer off feeling satisfied and confident, not only with their purchase but also with us as their servicing dealer.

### HOW IT WAS IMPLEMENTED:

We have practiced an on-water delivery process since the inception of Oak Hill Marina, but that process has greatly improved over the years. When we first started the process, the salesmen were in charge of their own deliveries. This later evolved into having a part-timer do the delivery, then even having the rigging technician handling the delivery process. The problem we discovered here was that it was taking employees away from the jobs they were hired to do, hurting the dealership's productivity and efficiency. With our dealership being in the heart of a destination/resort area, most of our deliveries were scheduled for weekends, and this was pulling employees from their hired duties during our most important and busiest days.

In the fall of 2006, a good friend and repeat customer who had recently retired approached us about the possibility of part-time employment and helping out at the dealership. Over the course of the winter season, we gave thought to that conversation and hired that person as our delivery captain starting the spring of 2007.

We felt this was a great fit for us for several reasons. First of all, he had a lot of boating knowledge, over 40 years experience on our lakes. Second, and probably the most important, he had a personality that fit the criteria for the position. That personality had to be very friendly and personable with a lot of patience and outstanding communication skills. To top it all off, he was already a customer who believed in us and was already selling our services outside of the dealership. To this day, that person still serves as our delivery captain and we plan on keeping him on staff as long as he is willing.

### RESULTS:

The results have been astounding. This process leaves our customers and us knowing everything is working properly when the customer takes possession of their new boat. Most importantly, we know every customer leaves our dealership feeling satisfied and confident not only with their product, but also with Oak Hill Marina. We aren't able to measure the results of his key procedure financially, but we can tell you that having a hired, professional delivery captain has added great value to our sales process. The cost to the dealership is very minimal. We're very fortunate that our delivery captain is on call almost all business hours and can deliver a boat with an hour's notice. We are consistently receiving compliments from our customers as to how helpful the delivery process is and how well our captain works with our customers. The advantage: very little cost and excellent results.



## 30 Bright Ideas

### Advertising increase

Fred Book, Marine Center of Indiana

#### BEST IDEA:

If the mountain won't come to Muhammad, Muhammad must go to the mountain. In other words: "If you're the deal in town, bring the town to you." Sometimes, the best ideas aren't the most expensive, the most outrageous, or even the most creative. Most of the time, the answer is quite simple. At the Marine Center of Indiana, everything we do is guided by one rock-solid principle: take care of the customer. And we've advertised like hell to make them our customers.

The economy may be swamping many boat dealers, but our sales are holding steady. The industry as a whole is off 60 percent. But we're bucking the trend because we change our thinking. Like the mountain, we go where we need to. Economic downturn? Not on our mountain! We advertise like crazy to let customers know how we take care of them and why they should come to us, then we do as we promised. We have not cut back in service, customer relations or parts. Rather than trim staff, our managers chose across-the-board 20-percent pay cuts. We advertise for success. We don't tie advertising dollars to our sales figures. We are spending more dollars, not fewer, on advertising. And we are focused on innovations in reaching customers. One significant way we

did this in 2009 was to put on our own boat show, when the Indianapolis Fall Boat Show fell victim to economic doldrums.

Keeping the customer first is our "Best Idea." Everybody says it. We do it. We innovate with this in mind, setting afloat ideas that steer true, no matter how turbulent the waters, keeping us on course to remain not only the biggest area dealer, but the best.

We move mountains when we have to.

[Click here for  
more  
advertisements](#)

[Click here for audio files](#)



### In-house mobile phone leads program

Jim Thorpe, Spring Brook Marina

#### BEST IDEA:

We have a great in-house leads program. This past year we have found a way to make it work as a Mobile iPhone away program. This is great for boat shows and just if you are on the dock wondering what the customer's name is. Any criteria can be used to look up the customer, from the name on the boat to the first or last name, telephone number, brand or length of his boat. We can even put in what kind of car he or she drives. So, instantly, at the tip of our fingers, while we are right there, we can know exactly what and if any of the sales people have talked to this customer and what prices we told them. This has saved us a fortune because we know what is going on up to the minute.

#### HOW IT WAS IMPLEMENTED:

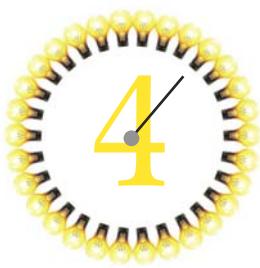
We were finding out how much money we were losing by not having all the facts at our fingertips. Sometimes we were wrong on the year of the boat, engine size or even what someone else had quoted the customer on price.

#### RESULTS:

It has been unbelievable how much this has saved us and how good it makes us look in the eyes of the customer. They cannot believe when we ask about their husband, wife or children by their first name.

Presented by:





## 30 Best Ideas

### **Free outside storage promotion**

Chuck Guthrie, Lynnhaven Marine

#### **BEST IDEA:**

The question was what could we do different that would help move product. We had an advantage of being on the water with a dry stack operation. We had lots of outside space not being used because of lower inventory levels. Why not offer free outside storage with a daily in/out launching service?

#### **HOW IT WAS IMPLEMENTED:**

It started out as a boat show incentive. We then used it as a closer. Later, we made it an open item for the sales staff

to use. Then, we promoted it on the Web site. We feel we closed 24 deals that could have been lost to other dealers. We have 35 boats in the storage program today.

#### **RESULTS:**

There is little cost; we retained the customer for retail service work; and we anticipate over half will stay inside the boat or will pay outside rates. The 2010 boat storage revenue from these boat sales customers will exceed \$45,000.00, assuming 18 will stay in the boatel.



### **Advertising of current model year product**

Dennis Davidson, Pioneer Hills Marine

#### **BEST IDEA:**

The advertising of current model year product and selling the dealership

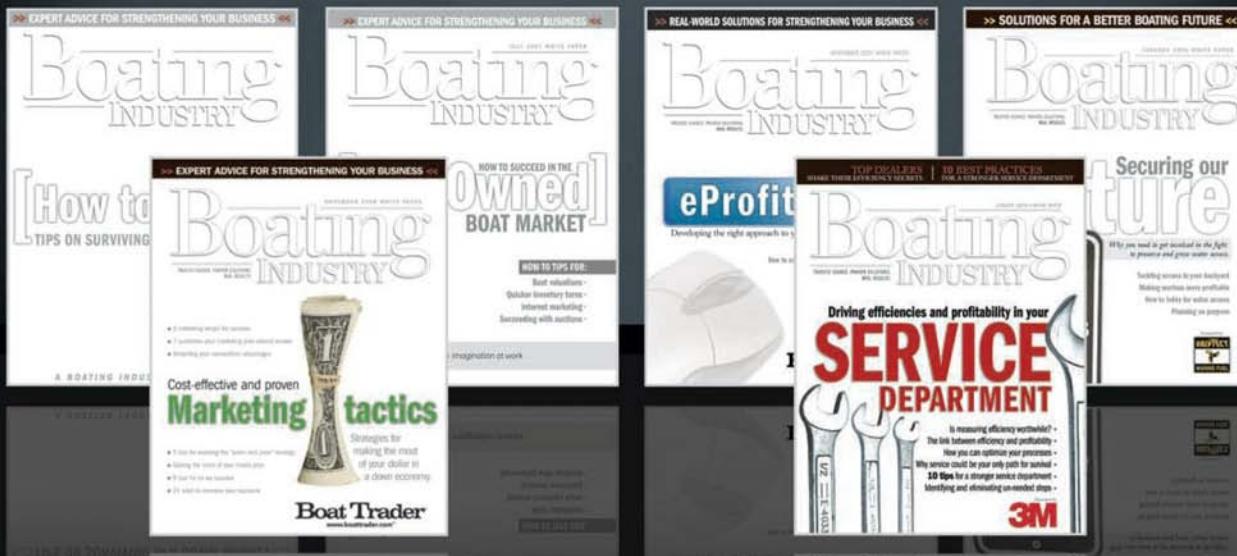
#### **HOW IT WAS IMPLEMENTED:**

This was implemented all year long. Instead of advertising the clearance of non-current models, we advertised the new models as well as the opportunity for the customer to order the exact model they wanted.

#### **RESULTS:**

We found that customers would enter our store to look at current model boats and engines, and with our non-current models there, they could save money. Other dealers were just advertising price, price, price. This sold the customer on our dealership, showing that we are doing fine in this tough economy and that we will be here for many years to come.

Download more white papers at [www.boating-industry.com](http://www.boating-industry.com)



Presented by:







## 30 Best Ideas

### **On-site radio advertising and information**

Eric Splatt, Woodard Marine

#### **BEST IDEA:**

Woodard Marine has implemented an FM transmitter at each of our buildings. The transmitters are set on a designated FM radio station, and each one has different ads, dealership information, and boating safety information playing at all times.

#### **HOW IT WAS IMPLEMENTED:**

In 2007, Woodard Marine started implementing this idea in our sales department. Even though Woodard Marine is open seven days a week during eight months of the year, we still have a customer base that is not able to visit our dealership during our operating hours.

We purchased an FM transmitter and installed this simple transmitter on our sales lot. We then pre-recorded our current sales commercial ad to play and repeat on this radio station 24 hours a day. We call this our “talking boat show, open 24 hours a day.” We post a sign on the tongue of each trailer on our outdoor display of boats at our sales location and also on our showroom door. The signs are similar to real estate signs and display the model of the boat and advertise the “talking boat show.” The sign then guides the customer to tune to a designated radio station in their car. Once the customer turns to this radio station (designated by Woodard Marine), the station will sound the ad for the boat, giving specific details of performance, pricing, and general information on Woodard Marine and our Web site. This system has been well received and was very inexpensive to set up, around \$100.

In 2008, we expanded this transmitter concept to our rental department. We now have purchased a second FM receiver and pre-recorded the general rules and regulations for our rental department. When our rental boats leave our dock, they are tuned into our station (FM106.7), and they are required to listen to a three-minute loop on how to operate the boat, how to have fun with the boat, and the general boating rules and regulations.

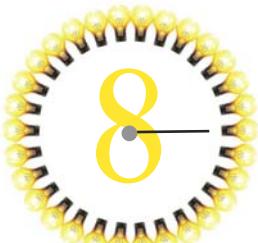
#### **RESULTS:**

When we looked at our budget in the 2008 and 2009 year, we considered our personnel expense. We wanted to keep the same amount of employees gainfully employed, so we looked at other ways of becoming more efficient without having to spend a lot of money. In our rental department, we implemented our talking rental boat. In the past, when we rented a boat, a second employee was required go over all the general rules and regulations on the boat. This \$90 FM receiver has saved us money because we no longer need the second employee taking time to show the boating rules, and they are available to rent an additional boat or perform income producing jobs.

In our sales department, we are able to reach more customers after normal business hours and do so in a professional, non-pressure atmosphere.



[Click here for audio files](#)



### **Gift for boat buyers**

Nancy Smith, Colorado Boat Center

#### **BEST IDEA:**

Our “Welcome to our Boating Family” tropical plant. Within two weeks after a new boat owner takes delivery of the boat, a gorgeous tropical plant arrives at their door to welcome them to the CBC Boating Family. The response has been tremendous!

#### **HOW IT WAS IMPLEMENTED:**

Colorado Boat Center focuses a lot of time and effort, plus a good chunk of the marketing budget, on our current customers because we know the benefits of keeping the cus-

tomers we already have and drawing referrals from them. From the brand new customers to the long-time faithful ones, we are always looking for fresh new ways to make them feel special.

In years past, our “welcome to the family” gifts have included tote bags, beach towels, water bottles, caps, champagne, etc. in several combinations. The gifts were always given to the new boat owners at the time of their closing. When trying to decide if there was something else we could do this year, we determined that sending them something after the closing would be better. At delivery,

Presented by:





(Continued)



[Click here  
for photo](#)

## 30 Best Ideas

they are always so excited about getting their new boat that the gift really is passed over like, "Oh, that's nice."

Earlier this year, when CBC was named Boat & Motor's Dealer of the Year, someone sent us a plant that combined a bromeliad plant and orchid. It was so beautiful and something that associated well with boating, so it would make the perfect gift for our new customers. I went to work on setting up a corporate account with the company so that we would receive a volume discount and now every new boat-buying customer receives the plant when it's least expected.

### RESULTS:

The impact from this idea has been mind-boggling! The fact that it is a beautiful, expensive-looking plant that arrives a week or two after the customer takes delivery creates an element of surprise and a feeling of being very special. In a time when most businesses are cutting back, we are spending a little extra on our customers. When a customer takes the time to send a business a thank you

note, you know that you have done something right. We have received hand-written notes, e-mails, phone calls and comments on the customer surveys, all referring to the wonderful plant they received.

The results did not stop there. The new-owner laundry list of warranty work is no longer brought in with a demanding tone, but rather a smile on the face and sometimes an almost apologetic tone for having to tell us that there is something wrong with their boat. It has created a more pleasant consumer, and as a result, much happier employees, and all that happiness just keeps going round and round.

In addition, the element of surprise creates a memorable experience and that causes people to share their experience with others. We have had an unbelievable amount of referrals, especially from this year's boat buyers and they are not just telling friends and family ... they are telling strangers on the lake and in the campgrounds all over the state. It is one of the best programs we have ever had.



## Tax-free succession plan

Randy Kelly, Kelly's Port

### BEST IDEA:

In the investment group that Jane and I belong to, it was shared with us that we're in a position to give \$1 million each to our children with no tax consequences. In an effort to make chicken salad out of chicken feathers in this downturn, we are in the process of getting a certified appraisal on our business. The reason for getting an appraisal now is we feel it will be considerably lower than what it will be five or ten years down the road when we were originally planning on giving the inheritance to Kyle and Ryan. We have chosen to do it now due to the fact that the appraiser will be in a position where he can justify lower land prices (using recent auctions and short sells as a barometer) and also based on the fact that the marina's business has been off pretty dramatically in the past years.

### RESULTS:

By making the donation to the kids at this time, they will receive 30- to 50-percent more true value from the business than if we were to wait until a later date. We feel that an appraisal now will be around \$4 million, and the kids will receive almost 50 percent of the value of the business. We have come to that conclusion based on the fact that, due to all of the stimulus agenda, the country will be dealing with a sizable inflation in the years to come as opposed to the depressed values in today's market. With the new improvements in our facilities, we are looking forward to a sizeable growth spurt in the future. Therefore, passing on the inheritance to the kids now when the times are more challenging will give a significant tax advantage to our family and business in the future.

Finally, Kelly's Port is an S-type corporation and all of the bottom line profits flow to the individual stock holders on an individual basis. A portion of the profits will now flow to Kyle and Ryan's personal tax bracket, which will be in a lesser tax bracket, and there will be some tax savings not only this year but in years to come.

Therefore, there are two very valid reasons to consider this proposal as the kids will receive more bang for their buck and the business will benefit from tax savings year after year.

Presented by:





## 30 Best Ideas

### Post-service analysis

Rob Youker, The Sportsman

**Post Service Analysis**

Start motor on hose to test these systems	Status
	Green    Yellow    Red
Battery - #1 4D	Green
Water Pressure	Green
Steering	Yellow
Transmission	Red
Lights - all lights	Yellow
Windshield power up	Green
Navigation Lights (red, green and anchor)	Green
Cooling System	Green
Throttle response quick rev	Green
Gear engagement forward and reverse	Green
Brakes	Green
Test safety devices	Green
Compass	Green
<b>Visually inspect these systems</b>	
Boatage Integrity of Trailer	Green
Gas Cap	Green
Trailer Lights with light tester	Green
Wheels and Brakes	Green
Properly secured	Green
Correctly Pressurized Tires	Green
External Anchors	Green
Other	Green

**Status Key:**  
 Green: System is good  
 Yellow: System needs attention  
 Red: System needs immediate attention

Additional Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All The Sportsman's people who take care of your boat will work hard to make sure it's ready to go.

#### BEST IDEA:

Post-Service Analysis – A complimentary overall inspection of our service customer's boat/motor/trailer after requested repairs are completed.

#### HOW IT WAS IMPLEMENTED:

Implemented in August of 2008, our technicians conduct the "post-service analysis" after requested repairs are completed on all units. Once the technician completes the inspection, the results are discussed with our service coordinator, who then

[Click here for the document](#)

calls the customer to recommend any additional necessary repairs. The results of the analysis are discussed again with the customer at pick-up and a copy is offered for his records.

#### RESULTS:

The estimated average additional revenue per repair order is \$150. Just as important, the intangible results include customer confidence in both his product's performance and the professionalism of The Sportsman, peace of mind and added value from this complimentary service.



### Pit crew team

Bryan Collins, South Shore Marine

#### BEST IDEA:

"Pit Crew Team" – a methodology we copied from NASCAR. Very often, we get in a boat on trade or a purchase from a bank or auction that we know, if we get it in its best shape quickly, we can have ready for pictures and on the Web site, highway placement and/or to a boat show quickly. We know that timing is as important as anything when presenting the unit.

#### HOW IT WAS IMPLEMENTED:

The boat enters our service area, and we have a team ready to go over every detail of the boat in a quick and efficient manner. A full evaluation of its needs is conducted, and then the "pit crew" comes in. They work quickly and efficiently in a process that turns the boat from its current state into "boat show-ready" in a short amount of time. If the team needs an additional resource, someone is pulled from another department to "pitch-in" with some of the tasks.

We have had boats come in from the repo yard at 6 pm, and the boats are ready to be transported to the boat show the next day. The "pit-crew" team does not have a normal schedule. When there is a need, the experts (mechanical, fiberglass, cleaning/detailing) meet to review the boat, a plan is set, and then the "Mack Attack" begins. ("Mack Attack" is a term used, named after the owner of SSM, better known as a compete detailed washing, waxing, buffing of the boat to ensure pristine condition) Details, details, details are critical. Many sets of eyes on the boat and many sets of hands completing those details.

When time allows, the team reviews the process and performance to see where they can improve on the next one. This has become a fun and "neat" idea. Employees are now asking how they can get on a Pit Crew Team, so they can feel the excitement of performing to a high level.

#### RESULTS:

Results have come in the form of more units prepared quickly for sale. We have had customers say, "I just saw that boat at the auction site, it didn't look anything like that or I would have bid on it! I never dreamed it could look that way!"

Presented by:





## 30 Best Ideas

### On-the-business meetings

Chuck Thompson, South Shore Marine

#### BEST IDEA:

OTB Meetings – defined as “On-The-Business” meetings. This is relevant to just “business” meetings, “department” meetings, “team” meetings, etc. This is a meeting that usually takes place off site and during a convenient time – no interruptions of day-to-day phone calls and activities. We have had many meetings on Sunday mornings at 6 am. It’s a good quiet time. The CFO and president meet twice a month and twice annually with the CPA and attorney. The goal of each meeting is to stand at the “20,000-foot level” and “take a look” at the company, the environment, region, industry, HR matters, financials, cash flow, inventory, resources, future talent, goals and generally the direction of the company. We look at the horizon and beyond, discussing what’s between here and there and how to get where we want to go.

#### HOW IT WAS IMPLEMENTED:

It was implemented in early 2008. Based on what I saw with the boating industry, the economics of \$4 gas and

other concerns at the time, I thought we needed a strategy/time to get together regularly and evaluate a plan for dealing with the “wave” that was coming.

#### RESULTS:

The results were a profitable 2008 in very difficult times. Also, many positive changes to our company have occurred. The best result at this point is the fact that SSM is able to be “quick, nimble and flexible” to change while the “weather” (economy/industry) straightens itself back out. We have become much more efficient in many areas and the meetings “cause” us to take a “time-out” from the business of the day-to-day activities. The big goal is to “know how to plan and execute, while overcoming today’s surprises, to get the most foundation capability any organization can have,” wrote Michael E. Gerber, author of “E-Myth.”



### Frozen drink mixer

Sara Hendrickson, South Shore Marine

#### BEST IDEA:

Jimmy Buffett's Margaritaville Frozen Concoction Maker at all South Shore Marine events!

#### HOW IT WAS IMPLEMENTED:

Monday, Jan. 5, was South Shore Marine's first day of work for the 2009 year. The first item on every employee's agenda was to attend a “team meeting” that morning. The meeting was held in our lunchroom/kitchen area. Up on the wall were huge posters (see link below), which still remain there today. I really took a liking to number 4 under “objectives,” which read: “to have fun!” As the meeting proceeded, number 8 under “actions in 2009” read: “Deliver a positive message at boat shows, special events, and customer interactions. Boating is still fun regardless of our environment.”

Well, needless to say, we need to have fun, more fun than normal fun! South Shore Marine's first event of the 2009 year was in February when we held our Annual Fishing Seminar. Not only did we have 175 people coming through our door on a cold Saturday morning/afternoon for fishing tips, lunch, and dreams of hot sunny July days, but we had margaritas!

And lots of them! All were mixed by hand at this event, but due to an overwhelming response, we went out and purchased Jimmy Buffett's Margaritaville Frozen Concoction Maker to have a mixin' at South Shore Marine's Summer Sea Trail event in June. I “blew out my flip flop” and needed help making these darn drinks that weekend! Needless to say, everyone wanted that job!

#### RESULTS:

I am not quite sure Jimmy Buffett's Frozen Concoction Maker has sold any boats for South Shore Marine, but our customers (kids too with their frozen “kiddie” margaritas) really enjoyed the action at the bar and seeing Jim Casto's Contender “Fins Up!” in action. But, then again, you never know!?!?!



[Click here to view posters](#)

Presented by:



NORMAN•SPENCER  
**MARINE**  
INSURANCE



## 30 Best Ideas

### Traveling boating seminars

Carly Poole, Buckeye Marine

#### BEST IDEA:

The traveling road show! This year we focused on low budget ideas that would take our product and our brand to customers in the effort to have them join us at the dealership. A few of these included seminars and events held on site at different area lakes, cottage association and waterfront community club houses.

#### HOW IT WAS IMPLEMENTED:

2009. All About Boating Seminars were held at local cottage association meetings or as a feature presentation at a local waterfront community group gathering. This educated all members of these waterfront communities and cottage associations about important boating facts but also branded the boating experience with our dealership. Coupons were given to attendees to come to our dealership and receive a free gift and discounts on certain products.

Sandbar BBQs were held in key lakes at the main sandbar showcasing our new product where boaters spent their weekends. Boaters were then encouraged to come to the

dealership for more options on different products. Free hamburgers and hot dogs were served to all.

Boating safety courses are a great way for us to get our name in front of boaters. Having a boating license is mandatory in Canada as of Sept 15, 2009. We have two accredited course conductors on staff who solicit customers, associations and groups wanting to host a boating safety course. This takes us to different area lakes and communities and put us in front of boaters who may or may not be aware of our products and services. We capitalized on this opportunity by supplying attendees with coupons and flyers for dealership specials. We also offer these courses in-house, which attracts boaters who may or may not be customers to come into our showroom to write their test.

#### RESULTS:

We have increased the number of people walking through the store and raised awareness of our dealership to a specific target audience in lakes where we are looking to grow our business.



### Team-focused expense cutting

Gary Poole, Buckeye Marine

**FINALIST**

#### BEST IDEA:

Team focused approach to cutting expenses. In winter of 2008, we saw the ever increasing need to cut expenses, even more drastically than we had previously. We always monitor our expenses extremely closely and decided after forecasting a more drastic decline in sales that we needed to make some changes. We are situated in a tourist area where finding work and skilled laborers is a difficult task. We made a business decision to do everything we could to

best interest of our customers and increases our ability to get up and running quickly when the economy turns. With these juxtaposed issues in the forefront, we took a team-oriented approach, which proved to be very successful.

#### HOW IT WAS IMPLEMENTED:

Implemented Feb 2009.

- All employees were gathered and shown a detailed list of the company's expenses.
- They were made aware that the largest expense that the dealership had was wages.
- They were also made aware that management would like to keep as many staff as possible, but in order to do this, we needed to make cuts in other areas.

- Ideas were taken from staff on how to do this. Some of these included: staff agreeing to be on a government

subsidized pay plan, installing timers on heaters and keeping heat at a lower level, changing phone plans, cutting back on paper usage and office supplies, getting insurance quotes from other carriers with the goal of keeping the same coverage and lowering the price, renegotiating bank and credit card rates and many more.

■ Because of staffer's involvement in finding these solutions as well as their gratitude in knowing that everything possible was being done to keep them employed, staff are far more conscious of their consumption of items and utilities and are constantly coming up with new ways that we can reduce overall expenses.

#### RESULTS:

We have decreased many of our expenses up to 50 percent (including insurance, cell phones, office supplies, hydro and wages) and have maintained our entire staff.

Presented by:





## 30 Best Ideas

### Trade-in promotion for service/storage customers

Chris Poole, Buckeye Marine



#### BEST IDEA:

The Great Boat Exchange – a sales promotion designed to entice existing service/storage customers to trade their current boat and purchase a new boat this fall.

#### HOW IT WAS IMPLEMENTED:

Sept. – Nov. 2009

- Created phone list from service logs
- Developed monthly top sales award and award for most leads each month
- Sales manager reviewed call list during each Friday AM sales meetings
- Each service/storage customer was e-mailed details of the program

#### RESULTS:

This program created tremendous sales activity during a typically slower time of year. September saw a 40-percent increase over last year's monthly sales. October is currently tracking a more than 100-percent increase. November's goal is a 50-percent increase. The overall goal is a 50-percent increase over last year's quarter. We are well on our way to accomplish this.



[Click here to view postcard](#)



### Winter work program

Barry Bensz, B & E Marine

**FINALIST**

#### BEST IDEA:

We implemented a process to encourage our service technicians and service office to track work and repairs needed on customer boats during the winterization and storage period. This would allow us to bank hours for winter work in order to keep our technicians and service office productive during the winter months. We set weekly goals, total number of hours to be reached by the end of the winterization period, and track them weekly.

#### HOW IT WAS IMPLEMENTED:

In the fall of this year, we accessed how many hours we would need to keep our technicians working and productive from the end of our storage season (Dec. 1) until spring launch (end of March). By taking the number of technicians and hours worked per week and number of weeks during the off-season, we were able to determine that we needed 3,640 winter work hours for December to the end of March (7 technicians, 13 weeks, 40 hours per week.) Our shop goal for the season is 80-percent efficiency, which would put our needed collectable hours at 2,912. Based on this, we decided to set a goal of 2,200 hours, which is 75 percent of the hours needed (2,912) to be produced (or banked) by the end of November. We decided to track this weekly and post the hours banked for

winter work beginning October 1st.

We needed a process to encourage our technicians and the service office to actively pursue these needed hours during the busy winterization season. Thus, we had a meeting with the service office personnel and the technicians to review all of the pitfalls of the past. Then, we developed new procedures and a process to keep everyone engaged in the task.

#### HOW IT WORKS:

**Step 1.** Prior to the boats arriving for winterization/storage, the service office fills out a list of recommended services. They review the previous work history for each of the customers and fill out the recommended service spread sheet with dates of last service and recommendations.

**Step 2.** At the time the winterization/storage service is performed, the technician fills out the winterization check sheet and notes damages and/or suggested repairs that they find while working on the boat.

**Step 3.** The technician turns in the work order and paper work when completed with the boat.

The service office will review the notes made by the technician as well as the recommended service sheet that was filled out by the office. When winter work is noted, these sheets are handled separately from the normal closed

Presented by:





# 30 Best Ideas

**(Continued)**

orders. They are highlighted with an orange dot and put into a centrally located clear bin in front so everyone can see them.

**Step 4.** The service office then calls the customer to go over all the suggestions, at this time, for the boat. The service office will provide estimates of the repairs, or approximate cost for repairs, at the time of the call. Customers are to be called within 24 hours from the time the suggested repairs are noted.

**Step 5.** The service office generates a repair order for the services the customer would like to have performed. If further estimates are required, the service office generates them and follows up with the customer.

**Step 6.** Service work is then processed and recorded for winter work and added to the grand total of hours generated, which is posted weekly for everyone to see and track.

## RESULTS:

1. The customers seem to be more receptive to the recommendations and items found by the technician at this time. They have just finished the season, still have boating on their mind, and seem to be more willing to do work now instead of calling in December or January.

**2.** Also, we only have one call for services, versus two or three in the past. During this call we go over all the items noted, as well as other recommendations, at one time. We are not going over one list of items now and another in spring.

3. The recommendations are written down so the customer gets the same recommendations from whoever is working in the service office when they call in.

**4.** This process allows the service

**Dear Storage Customer:**

Our service department is offering a 10% winter work labor discount for upgrades and new installations requested **by November 1, 2009 and be completed by February 28, 2010.** We are sorry but this does not apply to any fiberglass or routine maintenance repairs.

Please see the space below to list all of the items you would like completed while your

Please use the space below to list all of the items you would like completed while your boat is in storage. If you would like an estimate as to the cost of repairs or additional equipment installation, please indicate by printing "estimate only" next to that item.

Due to the difficulties in performing certain work requests in cold weather, the service department will review all winter work requests to see if it is feasible to do while your boat is in storage.

If you have any questions, please do not hesitate to give our service department a call.  
Sincerely,

Bryce Lefroy  
Service Manager

Paul Svarteborg  
Director of Discourses

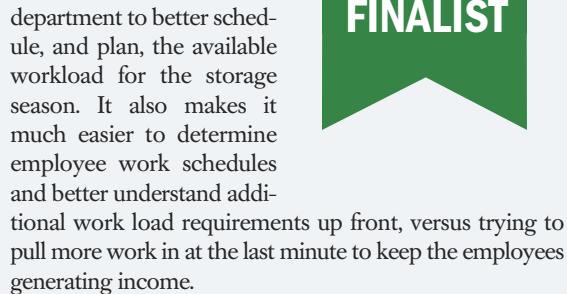
**B&M Marine**

**WINTERIZATION CHECK SHEET**

CUSTOMER NAME _____		BOAT SIZE _____		
ENGINE HOURS _____		SINGLE OR PORT _____	STERO. _____	GEN. _____
CYCLE _____		9 CYL. _____	8 CYL. _____	W.O. _____
PRINT NAME _____		SINGLE OR PORT YES / NO		GENERATOR YES / NO
SIGNATURE _____				
<p><b>WINTERIZED ENGINE:</b>          CLODED COOLING.          ALL VENTS REMOVED          CITY HOMES REMOVED          AIR DUCTS REMOVED          LUBE IN OUTBOARD INSPECTED          FUEL SYSTEM SHUT OFF          DISCONNECT &amp; LOAD TEST BATTERIES          THERMOMETER TESTED          THERMOMETER TESTED          YES                          NO                          QUANTITY       </p> <p><b>CHANGED OIL &amp; FILTER</b> _____</p> <p>MOTOMAN CLEANED YES                          NO _____</p> <p>SEASIDE GROWTH THRIVEN YES                          NO _____</p> <p>SHOOT SHUTS YES                          NO _____</p> <p>TOP &amp; TOPSIDE SPRAYED DOWN YES                          NO _____</p> <p>BOTTOM PAINT YES                          NO _____</p> <p><b>WINTERIZED HULL</b>          HULL DRAINED YES                          NO _____          HULL DRY YES                          NO _____          HEAD &amp; HOLDING TANKS YES                          NO _____          THERMOMETERS YES                          NO _____          HOT WATER HEATER YES                          NO _____          WASH B. DRAINED YES                          NO _____          WASH B. DRAINED / HEADS DRAINED YES                          NO _____          DOCKSIDE WATER YES                          NO _____          AIR CONDENSER DRAINED YES                          NO _____          AIR CONDENSER DRAINED YES                          NO _____          HULL PLUG REMOVED YES                          NO _____          HULL PLUG REMOVED YES                          NO _____          POWER CORD STORED YES                          NO _____          POWER CORD STORED YES                          NO _____          STORED IN BILGE YES                          NO _____          STORED IN BILGE YES                          NO _____          STORED DRAINED YES                          NO _____          STORED DRAINED YES                          NO _____       </p> <p><b>NOTE ANY DAMAGE OR SUGGESTED REPAIRS. NOTE: USE BACK IF NEEDED</b></p>				

NOTE ANY DAMAGE OR SUGGESTED REPAIRS. NOTE: USE BACK IF NEEDED

NOTE ANY DAMAGE OR SUGGESTED REPAIRS. NOTE: USE BACK IF NEEDED

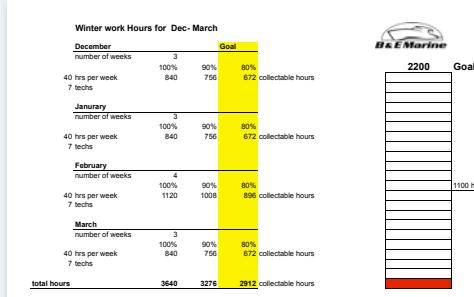


5. Once we have gathered all the information it is much easier to follow-up with the customers that did not proceed with the winter work recommended.

**6.** The technicians are happier because they are part of the solution and feel like they are more in control of their destinies in these challenging times.

7. By having the workload, we do not have to lay off technicians during the winter months.

**8. Increase in service income during slower months.** Just a 25-percent increase in service sales generates approximately \$60,000 in available income.



CUSTOMER BOAT:	DATE:		
RECOMMENDED SERVICES	LAST PERFORMED	RECOMMENDED	NRS
1 OIL AND FILTER CHANGE ON ENGINE			
2 OIL AND FILTER CHANGE ON GENSET			
3 AIR FILTER, COOLANT, OIL AND FILTER CHANGE			
4 ENGINE COOLANT CHANGE			
5 ENGINE TUNE UP			
6 FUEL FILTER CHANGE			
7 DIESEL FUEL FILTER CHANGE			
8 HEAD VENT FILTER REPLACEMENT			
9 LUBE THROTTLE, SHIFT AND STEERING			
10 LUBE SEA COCKS			
11 20 HR SERVICE			
12 BATTERY DRAIN SERVICE			
13 REPLACEMENT OF WIPERS			
14 ENGINE BELT REPLACEMENT			
15 ENGINE ALIGNMENT			
16 ENGINE WATER IMPELLER REPLACEMENT			
17 BATTERY REPLACEMENT			
18 GENSET WATER IMPELLER REPLACEMENT			
19 REPLACEMENT OF ENGINE ANODES			
20 REPLACEMENT OF OUTDRIVE ANODES.			

## **Click here for the documents**

*Presented by:*





## 30 Best Ideas

### **ABCs of inventory management**

Roy Parker, Parker Boat Company, Inc.

**FINALIST**

#### **BEST IDEA:**

The ABCs of inventory management – The ABCs are simply a classification of our inventory that we have assigned to the different products that we sell, which helps us to make more educated decisions on what to buy and when to buy it.

A product are models that we can sell in 90 days or less, B product are models that we can sell in 180 days or less, and C product are models that can be sold in 360 days or less.

Then we apply the ABCs to our prior inventory sales to determine which class each model fits into (each model by brand of your entire inventory is to be put into the ABCs formula).

We are currently on a trimester buying program, which is a good way to look at our business. We have a fall, a spring and a summer cycle in which different products (models) sell stronger in each of those periods.

The next step is to determine which trimester that each product sells the best in, then assign a number to that model that corresponds to the trimester that it most likely will sell. For example, A-1 would be the fall period, A-2 the

spring, and A-3 the summer period.

After the analysis of our past sales, we would come up with a complete list of our inventory that has a letter and a number assigned to it. Now we have a better way to make an educated guess on what inventory to buy and when to buy it. With some of the inventory companies charging curtailments in 270 days, it is going to be imperative that we make the right inventory decisions; our very survival depends on it.

The next step is to figure out what your base inventory needs will be by category and model. Ask yourself, "Do we need one of each model or are some models too big a gamble to stock in these market conditions?" Remember that 270 days comes at you fast. Now go thorough all your types of inventory – bass boats, pontoons, cruisers, bow riders, etc. – and come up with the base inventory that you plan to stock your store with.

Now you need to plug in a figure for the amount of used inventory that you plan to carry. It is important to do your ABCs on the types of used inventory that sells best for you as well. It will not be as exact, but it will help you to make better decisions.



### **Boaters' weekend**

Wendy LaLonde, Hutchinson's Boat Works, Inc.

#### **BEST IDEA:**

We are located in Northern New York, where boating ends for most people by the end of September. The first weekend after New Year's, we have "Boaters' Weekend." We host this weekend in conjunction with the resort next door to us. They offer our customers room deals, and we offer their customers something to do in a town that is virtually shut down for the winter. Each year, we have a different boating seminar in the afternoon. In the past, we have had representatives from Sea Ray, Raymarine, Cummins, and MerCruiser offer seminars. In the late afternoon/evening, we have a cocktail party in our showroom, which holds 20 boats ranging from 18 to 44 feet in length. We have wine tasting and entertainment for the party.



#### **HOW IT WAS IMPLEMENTED:**

We originally started the weekend in 2000 as a Customer Appreciation party and to celebrate our new showroom. We have added activities each year. We have a large following. Customers plan on this event to break up the winter and make contact with their boating friends. We are a destination dealership, so this is usually the only time of the winter for people to get to see each other. We even have customers fly in from Florida for this event. Customers are invited through our Christmas cards, the event is posted on our Web site, and the resort next door advertises it in their flyers.



#### **RESULTS:**

While the event is still billed as a Customer Appreciation event, it is held during our manufacturer's incentive period, and we usually do sell boats at this event. If we did not have this event, there is no chance that we would have 200 people in our showroom the second Saturday in January in snowy New York.

*Presented by:*





## 30 Best Ideas

### Internet security system

Wendy LaLonde, Hutchinson's Boat Works, Inc.

#### **BEST IDEA:**

We purchased an Internet security system that not only protects us from malicious attacks from the outside, but also allows us to control what sites our employees can surf. Sites can be blocked by category or by URL. Another option is to block all traffic and specify which sites are allowed, which we have done (we do have a bypass password to allow key employees to access anything).

#### **PLEASE EXPLAIN WHEN AND HOW IT WAS IMPLEMENTED:**

We did not have an in-house IT person to start something like this. In 2006, we hired someone from the outside to set this up for us. The initial expense was minimal. The hardware and software cost about \$500. The outside person was able to set it up in one to two hours. Once set up, we can add/delete sites ourselves easily. If an employee tries to access an unacceptable site, he/she gets the message, "This Web site is prohibited from use at Hutchinson's during working hours."

#### **RESULTS:**

While it is hard to put an exact dollar figure on this, we have saved approximately two service calls each year from our outside IT company to remove viruses that employees were getting from bad sites. Also, productivity has jumped since sites like MySpace, NewzJunkie and Walmart were banned.



### Golf club partnership

Jeff Wilcox, George's Marine & Sports

#### **BEST IDEA:**

We partnered up with a local golf club whereby we gave him a PWC to use for promotion and in return he put our name, logo and advertisements on the carts' GPS system. As a result, every cart would flash George's Marine & Sports and whatever advertisement we were currently running. In addition, two golf carts were logoed with the George's logos and referred to as the "George's" golf carts.

#### **HOW IT WAS IMPLEMENTED:**

It was implemented at the beginning of the spring, as the golf season mimics the boating season. The PWC also had the George's Marine & Sports logo and was used in promotions that the golf course was running off-site.

#### **RESULTS:**

We had numerous people coming in and telling us about riding in the George's Marine & Sports golf carts. In fact, I even had a competitor who called me and mentioned that it was bad enough that he had to hear about George's Marine & Sports during the workday as we competed, but now he even had to ride in a George's Marine & Sports golf cart during his round of golf.

Presented by:



NORMAN+SPENCER  
**MARINE**  
INSURANCE



## 30 Best Ideas

### Fundraiser/anniversary celebration

Jeff Wilcox, George's Marine & Sports

#### BEST IDEA:

We raised money for the Wounded Warriors Fund by combining our 40th anniversary celebrations and a fundraiser. One of the events was a dunk tank with a Pro Hockey player donating his services to help raise money.

#### HOW IT WAS IMPLEMENTED:

We invited a forward for the Ottawa Senators to help us raise money for a worthwhile cause, and he agreed whole-heartedly. We advertised that he would put himself up on the perch of the dunk tank to raise money at 11 am. We had over 1,000 people show up in hopes that they would be one the lucky people able to knock Chris in the water by hitting a small target with a hockey puck.



#### RESULTS:

We raised \$3,000 for a very high exposure charity and created a huge amount of goodwill within the community for George's Marine & Sports.



### F&I outsourcing

Jeff Wilcox, George's Marine & Sports

**FINALIST**

#### BEST IDEA:

We needed a business manager and it was during the off-

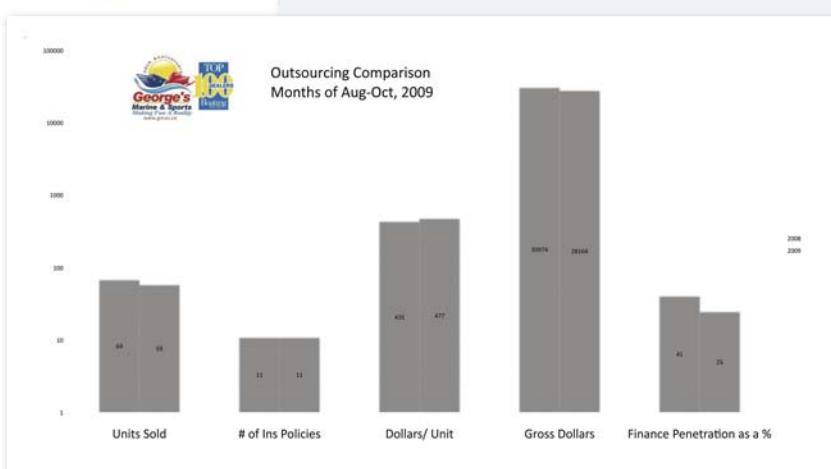
season, so hiring someone at this time would simply not be practical. We approached a car dealer whose business was also slow and asked if he would agree to let us send deals to his F&I manager for a couple of months, and he would take a percentage of the approvals.

#### HOW IT WAS IMPLEMENTED:

The deals would be faxed over to the business manager and sent in for approval. If the deal was approved, the car dealer kept 5 percent of the business office profits and the business manager kept 15 percent. We would normally pay our own business manager 20 percent, so this did not cost the company any additional money and saved us from having to hire a business manager in the slow times.

#### RESULTS:

Due to the experience of the business manager, our approvals actual increased 10 percent, but the biggest increase was in our aftermarket products. He was able to take our \$850/unit average to a \$1200 average. This in itself was a huge overall increase.



[Click here for the graph](#)

Presented by:





## 30 Best Ideas

### **"Approved For Trade" stamp**

Mark Watts, Liquid Sports Marine

**FINALIST**

**APPROVED  
FOR TRADE**

#### **BEST IDEA:**

The "Approved For Trade" Stamp – In today's business climate, there is an ever increasing need for used boats – both on the part of the consumer and the boat dealer. While people still want to buy boats, they have reduced budgets and are looking to save money. At the same time, dealerships are looking for ways to move product with better margins while facing the challenge of having access to smaller floor plans. When looking for a way to increase the number of used boats we had available to sell, we realized that we have hundreds of boats coming through service which, if properly tapped, could increase our number of trade-ins and/or feed our consignment program. We created an "APPROVED FOR TRADE" red stamp which the service manager stamps, right in front of the customer, onto his copy of the repair order when he comes to pick the boat up.

#### **HOW IT WAS IMPLEMENTED:**

Liquid Sports Marine started using this stamp over this past year, and the response has been fantastic. When the service manager stamps the customers' repair orders right in front of them, they instantly want to know what this big red stamp means. When they ask "What does 'approved for trade' mean?" the service manager states, "The sales department saw your boat come in and really liked it, and they have approved it for trade. Let me get someone from sales to explain."

#### **RESULTS:**

The results have been even better than we expected. Due to using the "Approved for Trade" stamp, we have been able to acquire 15+ boats for trade-in or for our consignment program, which have resulted in 11 used boat sales at an average of 21-percent profit. This effective, simple-to-execute strategy was far easier to implement and much less time consuming and less expensive than actually calling all sales/service customers or doing a mailer asking them if they were interested in trading in or consigning a boat.



### **Customer service policy**

Lynn Fiorenzano, Silver Spring Marine, Inc.

#### **BEST IDEA:**

An employee is not allowed to say "no" to a customer without first checking with someone above them or with more experience.

#### **HOW IT WAS IMPLEMENTED:**

The procedure was implemented when I heard the receptionist say "no" to a customer on the phone. When I asked what she was saying "no" to, she said the customer asked if we worked on Evinrude engines. I told her I would like to speak to the customer for a moment. The customer on the phone then explained to me that he was on vacation and at the boat ramp in town, and his engine would not start. I asked him a few questions and determined that he may not have an engine problem, just a dead battery. I wrote a work order, and sent one of the employees over with a battery jump box, and he was able to get the engine started, which

made for a very happy customer. Note that this did not tie up a technician either. Oftentimes, the customer does not do a very good job of explaining what he needs. An inexperienced employee may quickly try to get the customer off the phone, and depending on how busy they are at the moment, may not take the time to quiz the customer and get to the real reason for the call. Most often the solution is very simple.

#### **RESULTS:**

More service work. More referrals. Other marinas that do not offer service actually recommend us to people as the "place to go for help." This, of course, translates into more profit. We have also been able to send some work to other local businesses, such as a towing company, which ultimately helps the boating industry overall.

Presented by:



NORMAN+SPENCER  
**MARINE**  
INSURANCE



### How to increase margins with boat sales

Jerry Brouwer, Action Water Sports

#### BEST IDEA:

How to increase margins with boat sales – To be at the top of your game in sales, it takes training, discipline, focus, integrity, hard work and a willingness to serve the customer. However, you can have these traits and still be leaving thousands of dollars on the table on each sale if you're not following a strategic plan. From my experience, one of the primary problems dealers have attaining acceptable gross margins and adequate sales revenue is lack of knowledge on how to sell non-current inventory. I would like to outline for you this "Best Practice" that will certainly add tens of thousands of dollars onto the financial statement of every dealer who is willing to follow this practice.

Since every dealer is faced with having carried over inventory each year, how it is sold is vitally important to the bottom line. How a dealership sells its non-current units also affects the attainable margins on current year units. What happens in most dealerships is something like this. Units come off free flooring; it becomes urgent to sell the unit. Next year's new models start arriving sometime mid-to late summer; urgency to sell the now non-current units is further increased. Summer ends, fall arrives, curtailments are due, cash flow slows, interest becomes more of a burden and urgency to sell increases again. Winter slows business to a halt, the cycle is about to start all over with a never dying urge or perceived need to dump product and generate zero revenue for the business. This will not work. Successful dealerships cannot continue having prospects walking in the door, sales people reverting to selling on price because of the desperate pressure to dump inventory to reduce interest payments and continuing with the never ending process of trying to take shortcuts to sales success.

Having sales knowledge and product knowledge along with people skills and all-star closing techniques are vital to being a top sales person. However, having all these attributes and not knowing how to handle non-current models correctly is like knowing everything about poker but not knowing how to wear a poker face. You'll always leave money on the table.

Most often, prospects come in with a predetermined budget, yet in the end spend an entirely different amount. Even in the Internet age we all work in, most prospects have only a very foggy idea what is or is not a good deal ... too many variables exist.

Several aspects need to happen in order to reap the desired results of selling each boat at maximum margin. Make sure you do not miss any part of this margin building plan. Miss one step, and the plan will not work. This plan will give you money to pay interest, help you sell non-current models to the prospects who will only buy a non-current model, help you gross more on new models and change your perspective on how you look at carried over inventory. Yes, it can be a blessing.

1. When next year's models have arrived at your deal-

ership, market and have a "new model" introduction event. "New" will drive traffic and help peak emotions so take advantage of the powerful opportunity "new" can bring.

**2.** After this event, sales staff will no longer mention that the dealership has non-current inventory in stock when a prospect walks into your dealership.

**3.** When a prospect comes into your dealership, the sales person does the normal meet, greet and interview during the sales process.

**4.** During the process, if the prospect never brings up the desire for a closeout model, the sales person must only show the latest year's models before discussing any other purchase option. The sales presentation must include energy and excitement for the new models with a full sales presentation. Assume this prospect will pay top dollar to own the latest and greatest model.

**5.** When attempting to close the sale, your first quote must be a minimum of 5-percent higher than your normal starting price on the latest model year you have in stock. You will continue starting with a higher first quote until all non-currents of the same model are sold.

**6.** If the prospect balks at the price, the salesperson says, "Would you like to save money?" The response will be "yes" every time.

**7.** The salesperson now brings up the fact that the dealership happens to have a closeout model that has a closeout price. (The key at this point is to not bring up price.) Simply ask if the prospect is interested in a closeout model to save money.

**8.** The key at this step is to find out what the prospect truly desires. They will want to save money (everyone wants to save money); however, they may have no interest in a non-current model. You may simply need to reinforce the perceived value of the latest model with the features and benefits the customer desires and reiterate why the price is a great deal.

**9.** The key to step 7 is to separate the wheat from the chaff. Many buyers do have a desire to have the newest boat on the lake and would rather pay more to have the latest model. If the first thing you do is quote a no-margin to low-margin deal to dump a non-current model, you appear desperate and will have a very difficult time convincing someone to pay top dollar for a new model if that is what they desire to purchase. You will be pressured to drop margin on the new model similar to the boat you were trying to dump.

**10.** If the response is "Yes, I am very interested in saving on a non-current model" – and some buyers will only purchase non-current models – you proceed to quote a price no less than a cost line margin deal. Because you quoted 5 percent above your normal first quote on the new model, you should have an 8- to 15-percent price spread between the two model years, assuming there was a nominal price increase from the manufacturer.

Presented by:



NORMAN•SPENCER  
**MARINE**  
INSURANCE



(Continued)

## 30 Best Ideas

**11.** Many times, a customer may decide to buy the new model for the extra money since you did not give away margin below cost line on the non-current model at this point. The bump is large enough if the prospect truly wants to save money, however, small enough if they prefer the latest model year.

**12.** The customer at this point will let you know what is most important, spending less money or having the latest model.

**13.** If the prospect is focused on price, next bring up a pre-owned model to show another option at less money. At this point, the prospect will let you know what option presented suits their wants and needs.

**14.** If your cost line on a new boat is a 20-percent margin, do everything you can to build value before going below this number. If you find the customer unwilling to close, before you go below your cost line, start adding value instead of taking away margin. Try adding a gift card to your accessories or parts department, storage, detail, oil change or some other item. This adds more perceived value to the customer and only costs your dealership the wholesale amount of what you added to the deal.

**15.** Remember this: for every \$1,000 you drop your price off a deal, you will need to sell \$5,000 at a 20-percent margin to get your \$1,000 dollars back.

Thru practice and developing an iron strong poker face, you will soon be learning the art of holding margin and finding revenue only you can control. Success is not solely based on the brand you sell or the region of your business. We all need to sell our old models, however, showing prospects old models first, looking desperate and going directly to price at no margin takes away any chance of building a profitable business. We lose too much margin on every model year in stock when we use the wrong method of selling non-current inventory. We must stop thinking we can lower our price enough to make up the lost revenue with volume. We all need to stop taking shortcuts. We need to understand the results of our habits and begin the New Year with a successful strategy to sell our non-current inventory.

To give you some courage, in the last month, one of our sales staff sold a 2008 model with a 2010 model available in our show room. That makes this boat three model years old; it sold at an 18-percent margin using this method. Yes, at times we do sell units at no margin; however, it's rare. If you can use this method to raise your margin a few percentages on the inventory you sell each year, you will have added thousands in revenue without selling any additional units.



## Cruise Club video for prospects

Paula Fulton, BMC Boats

### BEST IDEA:

We have been professionally creating commercials to enhance and make our business more visible to the public through the Internet. The most positive results have come from our BMC Boats Cruise Club Video, which is being shown on our Facebook page, our Web site and other online sources. We also have made our video into a DVD we can give to our prospects. Our cruise club has always been very popular and focuses on our customers going all over Florida to learn how to use their boat and enjoy it at the same time.

### HOW IT WAS IMPLEMENTED:

We had our professional commercial videographer go along for our trip to Caladesi Island and Clearwater beach. He interviewed some of our customers along the way, and then he created this incredible video for us. We will be doing more of these as we go on our cruises. Then, we made copies on DVDs for our prospects to be given at the dealership and any events or shows we attend. Also, we uploaded it to our BMC Boats Facebook page, Web site and several other sites for maximum exposure.

### RESULTS:

This is a somewhat new idea of ours, so the track record is only at the beginning stages. However, the positive feedback and results have been overwhelming and are trackable through our Footsteps lead management system. I have been getting positive e-mails and feedback from our customers as well. While there are no actual sales to say a customer bought because of the video, we do know that it has enhanced our customer's experience and goes hand in hand with everything we do as a supplement to the whole sales process. In times like these, a dealership must stand out from the others and go above and beyond the scope of business as usual. We understand that and embrace that. In order to view our video, you can go to [www.bmcboats.com](http://www.bmcboats.com) and then look under the current cruise club news tab.

Presented by:





## 30 Best Ideas

### **Oil exchange program**

Nick Olzenak, Alaska Mining & Diving Supply

#### **BEST IDEA:**

This season, one of our OEMs double shipped our bulk oil order by mistake. Instead of demanding they take it back (from Alaska), we made an offer that positioned us to sell bulk oil refills at half price, a loss leader that was actually no loss at all and all leader.

#### **HOW IT WAS IMPLEMENTED:**

By radio and direct mail campaign, we spread the word of our exclusive "oil exchange" program. The manufacturer shipped us 50 OEM empty jugs to pilot the exchange. Customers are coming in our doors with multiple jugs, refilling them with oil and buying other items we have strategically placed in their path. With the exchange, there is no wait to fill. That's service!

#### **RESULTS:**

Our floor traffic is up in a down time and our average number of line items per invoice has increased. By no means has it made up for the down swing, but every little bit helps. And it's not only generating sales, but supporting customer loyalty at the same time.



### **Regional in-water boat show**

3A Marine Service, Inc.

#### **BEST IDEA:**

South Shore In-Water Boat Show – Our dealership originated the idea for a regional in-water boat show for the south shore of Boston, Mass. Participation included all coastal dealers south of Boston from the city to Cape Cod canal. We also managed the show for the group and provided marketing services free of charge.

#### **HOW IT WAS IMPLEMENTED:**

The economy made it difficult, to say the least, for most dealers to spend big dollars for space in our state-wide shows (indeed, one has been cancelled this fall). And yet, the need for the marketing opportunity was there and, in fact, desperate. We came up with the idea of partnering with a local marina facility that also had

a need to market their slips and services. We found one anxious to participate for the promotional opportunities at no charge. Eventually, we brought 12 dealerships together for this show opportunity at a total cost to each participant of \$1,000 – funds to be exclusively for marketing the show. Most of it was spent on the Internet.

#### **RESULTS:**

We drew 1,700 consumers over a two-day period to this regional show, which took place May 1st and 2nd, and most were open to a purchase. Many boats were sold. Our dealership sold three boats at the show and had terrific follow-up, which is still paying dividends. One participating dealer sold a million dollar leftover cruiser. All dealers plan to make this an annual affair. Our marketing funds have allowed us the opportunity to leave the Web site developed for the show to remain active, so we did extensive after-the-show promotion on the Internet and continue to have basic exposure through the site, continuing to pay dividends for the dealers involved.

**SOUTH SHORE  
In-Water  
BOAT SHOW**  
Coming May 2010!

12 Dealers  
Over 20 Boat Lines  
Free Admissions  
Free Parking  
Free Seminars

Boat Show Home  
Participating Dealers  
Participating Vendors  
Boats on Display  
Boat Show Only Deals  
Directions  
Contact Us

Welcome to the First Annual South Shore In-Water Boat Show! The South Shore In-Water Boat Show will be held at the all New Hingham Shipyard Marina May 2nd and 3rd. The show brings the biggest South Shore area Boat Dealers together for the first time ever, and with over 20 boat lines being represented there will be something for everyone. Come on down and get a great deal on the new boat of your dreams...

Listen to us on the Radio!

Presented by:





## 30 Best Ideas

### Communications policy

James Baker, Seattle Boat Co.

#### BEST IDEA:

Seattle Boat Company Communication Policy

#### HOW IT WAS IMPLEMENTED:

During our Annual Planning Meeting, management discusses our greatest successes and failures throughout the year, and much to our surprise (and to the surprise of our mediator), we narrowed down our greatest fault as this – poor communication. Inter-company. In the face of the client. Plain and simple.

We agreed that poor communication was responsible for 90 percent of customer complaints and employee mistakes. We realized that we needed to mutually define our company's communication etiquette for returning phone calls, e-mails, even the number of rings allowed before we pick up the

phone. Another "back to the basics" moment!

We put our heads together and created a policy to be distributed to all employees for them to pledge to follow it and accept accountability. We were all responsible for holding each other to the policy. The policy focuses on both internal (amongst employees) and external (amongst customers and vendors) communications.

#### RESULTS:

As basic and simple as it sounds to have created a communication policy, how many dealerships actually have one? By simply creating a written policy that creates accountability, we have seen large improvements in employee trust and mutual respect, higher customer satisfaction and overall greater organizational efficiency. In these economic times, it is great to be able to implement an idea that doesn't require capital and results in increased employee morale and greater profitability through customer satisfaction and retention.

**Customer Internal & External Communication Pledge/Policy**

**Why do we need a communication policy?**

It is important for us to follow a communication policy because:

- Professionalism: By defining a communication policy our company will convey a professional image to our clients and partners.
- Efficiency: timely communication gets to the point in much more effective and concise for less of time.
- Respect: By defining a communication policy we can make sure that our communication is always respectful and considerate of others.
- Consistency: By defining a communication policy we can ensure consistency and reliability in today's complex world of multiple communication channels, and fast-paced expectations.

**Communication**

It is the single most important element to a successful business that we can have, as well. However, it is not just about us, how you are or what you have is important to give the point in time. There is a second human involved on the other side of your answer or your phone we add. That is why it is important to always be professional and courteous when communicating.

At Seattle Boat, we strive to live up to expectations that we set into our team, but exceed. Those include:

- 2 Ring Maximum
- Answered within business day of receiving
- Same day response to e-mail messages
- Last business day of promising, if an answer is not received, a follow-up call is made to inquire about the status of the issue
- Voicemail greetings are updated daily and have weekend day of greeting
- E-mail signatures are updated weekly

We request that clients avoid using nicknames or shortened names, because every communication represents Seattle Boat Company and communicates our cultural identity.

**Consequences**

Consequences are not our first choice.

The above stated is the Seattle Boat Company Way... it is expected, and is only expected in order to maintain our culture.

**Consequences**

1<sup>st</sup> violation - acknowledgement that I violated

2<sup>nd</sup> violation - same warning, the 2nd offense results in a set up in your file

3<sup>rd</sup> violation - you are set up and you are in a 30-day probationary period. Another customer service representative will handle your account until you are back in compliance, working with upper management and can lead to your termination.



[Click here for the document](#)

Presented by:



NORMAN+SPENCER  
**MARINE**  
INSURANCE

Boating Industry

23

[www.boating-industry.com](http://www.boating-industry.com)



"I've been involved with boat dealerships all my life, and I can tell you that everything Norman-Spencer and Westmar have to offer is right on target! Every boat dealership needs to get a quote from them before buying insurance."

-Phil Keeter, MRAA President

## Who is the MRAA?

Since its inception in the fall of 1971 by a group of twelve committed marine dealers, MRAA has grown to be a vital voice in the marine industry for over 2000 dealers. The purpose of starting a not-for-profit corporation was to "promote the pleasure marine industry and welfare of marine retailers." This purpose has not changed and is still the star that we use to guide our ship. Prior to the development of MRAA, the dealer had no voice within the industry and no control over the issues concerning them in Washington or with the manufacturers. MRAA has persevered to better the position of the marine dealer and will persist to do so in the future.

## Who is Norman-Spencer Marine?

### Leading provider for marine insurance in Mid/Eastern United States

Norman-Spencer Marine, a division of Norman-Spencer Agency, Inc. has been MRAA's endorsed agent of choice since 1988. As evidenced by our 20 year relationship with MRAA, we've been successful in sustaining a recognizable brand within the recreational marine industry by being a leading provider of innovative insurance products and services tailored to meet the specific needs of dealers and marinas countrywide. Today, Norman-Spencer continues to build on a culture that epitomizes courteous and cost-effective solutions in addressing insurance needs of MRAA members.

## Who is Westmar?

### #1 recreational marine insurance provider in Western United States

Since 1983, Western Marine Insurance Services (Westmar) has been listening to the concerns and needs of our western states customers, evaluating programs and making the most astute recommendations for the protection of their investments. We are the pioneers in the recreational marine insurance industry developing programs that are still copied today by other companies. Our reputation for reliability, knowledge and service will leave you confident that you are receiving the most qualified professionals to watch over your business while you focus on other matters. We strive to build relationships that can endure the test of time. To us, your business is more than just insurance; it is an opportunity to improve the overall well-being of a company. We provide comprehensive coverages at the best possible value. Dedication, integrity and hard work. This tradition is the way of Westmar.

## What is the Perfect Blend?

The MRAA recognized the need to offer our members more influence in the insurance marketplace. With Norman-Spencer Marine and Westmar coming together under combined ownership, they are now able to better serve the national marine industry. That means more influence and better buying power for us all.

## Why the MRAA recommends Norman-Spencer Marine & Westmar for insurance?

Let's face it. There are plenty of options when shopping for recreational marine insurance. Some with broad coverage. Some with super low prices. Some with no coverage and high prices. It's all out there...and confusing. But with the combination of Norman-Spencer Marine and Westmar, you will get the very best value for your insurance dollar because they are marine insurance specialists with over 25 years of experience. They understand your day-to-day needs and wants. That's why they have an insurance program designed specifically for marine businesses like yours. They are also the **only two insurance agencies that have met the MRAA's strict requirements to earn our association's full endorsement**. We trust them and you should too. There's no other place we recommend you go for insurance, Norman-Spencer Marine and Westmar are the #1 choice for recreational marine insurance offering quality products and superior customer service.

## Why You Can Save Money and Get Better Coverage?

- Specialized insurance programs designed for boat dealerships
- Knowledgeable insurance professionals specialized in marine insurance
- Over 25 year experience serving the recreational marine industry
- AM. Best Rated "A" carriers ensures financial longevity and stability
- In-house underwriting for customized coverage options
- In-house claims service for more accurate and faster turnaround
- Competitive premiums combined with superior value
- And much more!

## Find Out If This Insurance Is Right For You

Pick up the phone and call their recreational marine insurance specialists for a free, no obligation insurance quote. **Test them out.** Have them give you all the pros and cons of competing insurance programs. **Make them compare the coverages for you.** Get their professional opinion on what is best for **you**. See how much more value you can get from their insurance program. If it isn't everything we say it is, simply tell them 'no thanks' after you get your insurance quote. Hey, all you've got to lose are the extra payments on your current insurance.

### CALL TOLL-FREE:

• For Norman-Spencer Marine - 810.360.0757 (all other states)

• For Westmar - 800.633.3443

[www.westmarinsurance.com](http://www.westmarinsurance.com) (western states)

License# 0642740

MRAA is a non-profit organization dedicated to promote the pleasure marine industry and welfare of marine retailers. For more information, visit [www.mraa.com](http://www.mraa.com) or call 708.763.9210.