

## NAME

Laethem Part 1 Audio.mp3

## DATE

June 4, 2020

## DURATION

13m 52s

## START OF TRANSCRIPT

**[00:00:02]**

Gary, how you doing? I'm fantastic, how are you?

**[00:00:06]**

Oh, just living the dream here in Michigan, they ask. I'm working at it. Yeah. So how long ago did you take over operations?

**[00:00:17]**

I took over in 2002. My father had Parkinson's disease and he had a stroke at that time. And I was trial by fire. So.

**[00:00:29]**

So you went from being part of the business to having to run the business cards?

**[00:00:34]**

Yeah. Luckily, really good managers that he had in place that he trusted and told me to listen to them and not be a arrogant owner or whatnot. I think he used a different word than that. But I'll keep it.

**[00:00:50]**

That's great. And there's been some changes to the operation in the last 15 years, obviously. Yes. Tell me a little bit about when you took it over your size and ranking in the southeast Michigan dealer community or market where you are now?

**[00:01:11]**

Well, it's it's an interesting thing because of because of two thousand and there sorry to 2008, we lost the Pontiac franchise. So that was we were one of the top typically top five, sometimes number one Pontiac dealer in the country. And that was the thrust of our volume came from that brand. So it was a devastating loss and we needed something to make up for it. And we we became one of the top two dealers. After that. We had to be a franchise. But it was it wasn't as the forefront of our business. We were the forefront of our business. Was that Pontiac business. So we we took we took some steps to figure out how to gain that volume and Buick to make up for it. And then in 2011, we purchased a Chrysler Dodge Jeep Ram dealership, which was adjacent to the property. And now we do. Now we do double the volume of new and used vehicle sales that we ever did at the at the Pontiac Buick GMC store. So it's a doubling of employees, a lot more complex. A lot of people that that knew my dad say that he would not like it at all. Wait, wait. Too much going on. He'd like to keep it simple.

**[00:02:33]**

So you're not a stranger to managing through a crisis?

**[00:02:37]**

Yes. Yes. It's actually it's it's interesting. Today's marks the anniversary, the 11th anniversary of when dealers got the got the letter, whether they were in business or out of business. So that is 11 years ago. Seems like a long time ago. But it also when you when you feel the pain and what it was like to wait for that U.P.S. envelope to come, whether you're in or out, that makes it feel like yesterday. So I guess it gives you the sense that you can get through anything and that's it. And we really became a lot better after that because we knew that we weren't just gifted what we have, that we that we needed to work harder to keep the customers that we have to to enjoy what we enjoy doing. You know, it is it is a joy. It is a joy to come to work. It is it's it's a lot of our favorite pastimes. So right now, you know, after this period of sleep, I call it, or rest over the last eight weeks, you know, no honking horns. No no engines starting up. No, just the noises around the business. It's so strange to think about, but it gives you time to reflect on how to get better and how to innovate, you know? So never let it. Never let it. Never let a period of silence go to waste.

**[00:04:00]**

What are some technology initiatives that you've taken at the dealerships?

**[00:04:06]**

There has been a real push that's based around talking to a customer the way that we talk to them when they're in the showroom. People even before this happened, we know that people don't spend as much time in showrooms and they don't want to spend that time in showrooms. So we have been we have had an initiative of talking to customers with the same level of attention that we do when they're in the showroom. You know, a lot of times. Let me give you a call back or I'm going to email you back later. You'd never do that if you were sitting in front of a person. You never just say, well, I've got somebody else that just sit here for I'm going to call you or I'm going to come back in two hours. But, you know, we do that so often when the person isn't right there in front of us. So we have we have spent a lot of time and training of finding ways to be able to be there for a customer at any time with any question and to treat them like they're right there in front of us, whether we're. Texting them. Whether we're on the phone with them. Email, not so much, but. But really the texting and the and the phones and treating the person like it's like there is important is they actually are. And not just putting it off to the side because they're not right there in front of you. That is also extended into different digital retailing platforms where we can get a lot of the paperwork done without the customer ever coming in. And that's that's been difficult. And thankfully, the the things that we had in place got accelerated because a lot of the banks in the state of Michigan realized that now we have to have touch free deliveries. So it really it really took a driver to push this into place. So luckily, we were there already.

**[00:05:48]**

Can you elaborate a bit on the different technologies that you brought in to to have that customer interaction, that remote that's more timely to be able to do remote engagement? What not.

**[00:06:06]**

Let's go ahead and call starting starting with starting with the phone system we have with the with the clarity phone system. We have had people on shift and off shift. And actually for a couple of weeks we were actually running with nobody in the dealership. And every single one of our salespeople was at home using their soft phone, calling customers. And we started we started by calling customers just to tell them what was going on and what our plans were and going through and texting people through through that. And we actually had a remote switchboard for each dealership at at two two of our employees homes that would alternate back and forth forwarding, forwarding all the voicemails to different customers or to salesperson's email service advisor emails.

**[00:07:05]**

It was it was all out classic phone room conducted from, you know, probably 35 different homes across metro Detroit.

**[00:07:15]**

So your customers could call to your main dealership number. Yes.

**[00:07:20]**

Those calls could be tried from your what's the I want to use the correct term, your front desk person.

**[00:07:32]**

Yeah. Well, we at least we still say operator in it. And and our our operators these days are not only doing doing what they do on air traffic control with the phones, but they're also setting service appointments. And we try to get. We try to get them as close to the front line and as capable of answering the question for the customer as fast as possible. Going back to the original premise of what I talked about. We don't want people bouncing around to as many people. We want it. We want to simplify it. Everything is, you know, that sort of experience that the customer looks and says, well, jeez, I got right to what I needed to talk to. And it didn't take me long because nobody likes that.

**[00:08:16]**

So your operator or some dealerships refer to him as reception or front desk.

**[00:08:23]**

Virtual front desk. They were working from home computer. And that's what a soft phone is. Yes. It's a program on a computer that becomes the phone. And from there, they would triage the calls and be able to transfer the call to whomever they need to speak to the service adviser or the salesperson or finance person who is also working from their home. Oh, yes. That person could have been in the office. Yes. And it didn't matter where they were located at. Correct. They could be connected with the caller.

**[00:09:04]**

Yes. It's it's it really was it was the flip of a switch. I mean, we didn't it didn't take anything to make that happen. But we're in our Level 10 meeting and we we had a bunch of to dos about getting things transferred over now that

we're closing down because it is uncharted territory made the calls that we needed to to clarity and they flip things over. There is things that we probably should have been using already that we took the crisis to understand. But now it's you know, now it's going to be part of our just daily activity. It just makes so much sense.

**[00:09:38]**

So aside from the phones, what other technology did you put in place in the preceding 24 months that enabled that type of distributed workforce?

**[00:09:50]**

We have a system called the X Time, which is a service scheduling system. It allows us to send multipoint inspections to the customer once once we've completed. Allows us to send pictures of the things that need to be fixed on the vehicles so that we can gain approval. We've set up mobile pay so that serves our roads can be paid online. Taking a picture of the credit card. And we we think that now after this, that that's going to be 90 plus percent of the way that people pay. It's just easier.

**[00:10:28]**

You know, there's so many other places when you look at Uber Eats and GrubHub and all that, it's all taken care of it on an app and the ah ah CRM system, which which we're actually now integrating with the phone system to be able to be to be able to see those phone calls that that came in and and who is the lead not actually getting logged so that we can get real not only results of our advertising, but to hold our our team members accountable to to every person that makes that makes a call into us. Because really, that's where it starts. It starts with the phone call.

**[00:11:07]**

Typically, when people really want to get down to nitty gritty, you move to a cloud based CRM or is your CRM on a server in your in your building that you get into cloud based, cloud based era?

**[00:11:21]**

Ok. So this idea of of applications being all based. Yes. Isn't that the foundation of what's allowed you to overnight flip a switch and become virtual?

**[00:11:35]**

Absolutely. Yeah, we do. We don't have to have VPN into our system. Slow connections. You know, it doesn't it doesn't matter where we are. We can get we can get in and do what we need to do. We actually did just switch over our entire dealer management system, and that is now cloud based as well. So that has allowed us to do a lot of the things remotely, including the signatures and paperwork and whatnot without using DocuSign. Oh. Right. Right into the cloud. And all of the all that paperwork is also stored in the cloud. So I can look up a deal from last week here, right here on my P.C. The other the other innovation that we added in the last 24 months is a it's a mobile estimating software for collision repair. So the customer takes a picture of their VIN number in the car that dramatically populates the data through the through the DMV. We know the customer's name address. We know the what type of vehicle it is. And then it walks them through all the pictures and the different angles of the pictures that they need to take so that we can send them an estimate. And that is immediately inserted, inserted into our DME system. And people really seem to like that, even though the the estimate is probably not spot on, because when you see it, you know, hands on.

**[00:12:52]**

But we get really, really close and it and it starts the customer down the road. Customers do less paperwork and less time in the dealership. And actually now they can spend zero time in the dealership, leave the keys in the car, will be waiting for it. When you make the call into us, go back to the phones for a second. But that's the other great thing about having the the threading into everybody's cell phone. So when when customers are coming in now, we we want them to call ahead so that we can get the keys from the car and and run out to it. And we disinfect the car. We grab the keys with a with a plastic bag and we've got a whole procedure. But if we were stuck at our desks waiting for the phones, it wouldn't work because everybody's moving around. But now with the threading through the phone, you grab the call on cell phone and we go out there and grab the keys and get the car written up. Yes. And if and if they call out from the app, the caller I.D. shows the dealership, not their cell phone.

**END OF TRANSCRIPT**