

# How Effective is Your Staff?

PROSPERITY PLUS MANAGEMENT CONSULTING, INC.

By Jim Kahrs

## Why You Need to Write Hat Packs in Your Dealership

### Take Away Points:

- SIMPLIFY TRAINING
- AVOID OVERLAP
- RAISE PRODUCTIVITY
- BUILDS RESPONSIBILITY LEVELS AMONG STAFF

In my travels around the country I am often asked, “How can I get my employees to do what they’re supposed to do?” Many a dealer has felt the frustration of uncovering a problem in the business that should have been handled by an employee in the normal course of business. I hear explanations like, “Well, that’s how things are today. People really don’t care” or “People are just lazy.” The problem with these explanations is that they don’t open the door to a handling of the problem. How do we correct people not caring or people being lazy? In reality, this is a very difficult thing to tackle as a generality pertaining to all people. We can, however, handle this problem on an employee by employee basis.

A major tool in the Hubbard Management System is staff hats. As defined in the Hubbard System, Hat is “a term used to describe the write ups, check sheets and packs that outline the purposes, know-how and duties of a post.” It comes from the days of rail travel where each of the workers on a train could be identified by the hat they wore; the engineer, conductor, porter, etc. each wore a distinctly different hat. Though many dealerships have and use job descriptions few of them contain all of the components called for in a Hat.

In today’s society most people operate with the belief and understanding that they have a “job”. Most tend to lump all of the duties they

perform into this nebulous concept called their “job”, often missing the fact that this “job” is actually the combination of several different hats. For example, in a dealership it is common for one person to wear the hat as the receptionist as well as the cash application hat, applying customer payments to their accounts. These are clearly two different hats yet they can be confused. When the phones get really busy the receptionist has “no time” to get the payments applied and the result is no deposit today. The employee feels that he or she was busy all day and did the “job”, yet there was no production from one of the hats and that “job” went completely undone.

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## How Effective is Your Staff?

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Another common example is for the sales manager to also wear the hat as the marketing manager. In this case the outcome is typically little or no marketing being done as the demands of the sales team are more immediate and potentially more rewarding in the short term. In both of these examples you have an employee with two very important hats allowing one of them to go with little or no production and thus little or no results. These scenarios play out in dealerships all over the country on a daily basis. Employees, not understanding the need to separate out their hats and get production on each one, leave large areas of the business uncovered.

So, how do you correct this? In applying the Hat concept as outlined in the Hubbard Management System you need to have nine components, lettered A- I, clearly outlined and understood for each hat or post in your company. I will list each of them with a brief description.

### **A. The Purpose of the Post**

Each hat must have a write up of the purpose of the post. All too often employees go through the motions of their post with little understanding on why they are doing what they are doing. For example, I asked a technician why he had to document all of the parts he used and where. His response was, "So the owner knows I'm not stealing the parts." He had no concept of how parts usage data was tracked to report profitability of contracts and no real un-

derstanding that a big part of the purpose of his job was to fix the systems in the field as profitably as possible. He replied by saying, "wait a minute, I'm supposed to be helping us remain profitable? In that case we should be doing ...", he went on to list five things that he felt were wasting money in the service department and how they could be corrected. By the way, three of those suggestions were great. Employees that are not given a clear understanding of the purpose of their post are very limited. With a clear understanding of the purpose of the post the employees can now think on their feet and make suggestions as to how we can better achieve the purpose rather than blindly follow the path laid out by their predecessor.

### **B. It's relative position on the Organizing Board**

The Organizing Board is another tool in the Hubbard Management System. It is a document that lays out all of the posts and functions of the company. All functions are aligned in seven divisions of the company following their natural sequence. . Having each person know how their hats relate to the others is also critical to success.

### **C. A write up of the post**

Each post or hat must have a write up outlining the basics included here. This write up is best done by someone holding the post with input from their manager and other people that interact with the post. Parts of this write up are what

most dealerships have in place as their current job descriptions. However, I've seen far too many that omit key components like those listed here as items A, B, F, H and I.

### **D. A check sheet of all policies, manuals, procedures, etc. for the post**

Each post will have its own key policies and procedures as well as specific documents and manuals that are used regularly. These should be included in the hat materials along with a check sheet that tells them what order in which to study them, and provides a process for them to report what they've done. This makes the initial training phase, what's referred to as instant hatting in the Hubbard Management System, a simple and quick process.

### **E. A full pack of written materials**

Having all of the necessary written materials in one pack, called a hat pack, makes it easy for the employee and their manager to review as needed and it keeps all pertinent information at their fingertips.

### **F. A copy of the Organizing Board**

Since the Organizing Board is essentially the roadmap of the organization, listing all functions and who handles each, it's important that each hat pack contains a current copy.

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### **G. A flow chart for the post**

This flow chart illustrates what is received by the post, what changes are expected to be made by the post it and where they are to be routed upon completion. For example, cash application would receive checks, be expected to post them to customers' accounts and then route them to accounting for posting to the bank account and deposit in the bank.

### **H. The product or products of the post**

Every post must have one or more things that it produces, the actual product of the post. The hat must contain a clear write up of the product(s)). For example, the product of the sales post is closed sales, for a service technician it is completed service calls, for accounts receivable it is funds collected, etc. Like the purpose listed earlier, it is vital that each employee know what product(s)) are expected to be produced from each hat they wear.

### **I. The statistics of the post**

Statistics measure the level of production called for in Item H. Mirroring the products listed above the statistics for a sales rep would include \$ sold and things like # of appointment, for a technician they would include # of calls completed and probably first call effectiveness and for accounts receivable you would have things like \$ collected and # of collection calls made.

By following this process and creating Hats in your dealership that contain the nine items above you will create an environment where your staff understands what is expected of them and has the knowledge to really think on their feet. Each employee is empowered with the data and tools to truly get the job done and to understand what "jobs" they are doing. The confusion created by assigning dissimilar functions to one employee can be sorted out leading to production in all areas. I have seen miraculous changes happen in dealerships almost overnight. The people that used to be categorized as "not caring" or "just lazy" all of a sudden wake up and really get it into gear. So I'll close with a challenge; go back and compare your current job descriptions to the list above and see if you're covering all of the points. If not work out a plan to get them all in place and see what happens. You'll be amazed at the results you can get. Don't hesitate to call on us if you need help.

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## About the Author, About the Company

Jim Kahrs is the Founder and President of Prosperity Plus Management Consulting, Inc.

Prosperity Plus works with companies in the office systems industry building revenue and profitability and improving organization structure using the Hubbard Management System. Jim can be reached at (631) 382-7762 or [jkahrs@prosperityplus.com](mailto:jkahrs@prosperityplus.com).

Prosperity Plus Management Consulting is dedicated to helping office systems dealers. We provide consulting and seminars designed to improve everything from cash flow and profits to organization and people issues to sales and marketing. Our comprehensive approach to business consulting focuses on teaching the dealer owner to get a better handle on the business.

Dealers get tremendous results from our financial benchmarking programs. We work with you to determine exact financial goals and help you put the plans in place to achieve these goals. The results of our financials programs have been tremendous improvement in cash flow, significantly increased profits and stabilizing business.

Our organization programs have helped dealers get themselves out of the day-to-day grind. One of the common goals here is to have the structure in place that allows the dealer owner to take a two or three week vacation without the business crashing.

To learn more about our products and services, call 631-382-7762, or visit us online at [www.prosperityplus.com](http://www.prosperityplus.com)

