



Bulletin

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ASSOCIATION CONTEST

CONGRATULATIONS TO HEATHCOTE AUTO SALES CORP OF SCARSDALE.

The OCTOBER 2018 ASSOCIATION MONTHLY CONTEST WINNER!!!

Please read through this bulletin for your chance to win!!! Call the office with the correct answer to the trivia question and you will be entered in the monthly drawing for a chance to receive a free month's dues; a value of \$45.00.

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Eliminate writing out a monthly check! Aside from accepting checks and monthly credit card payments we now accept ACH transactions as a form of payment at no additional charge to you. If you would like to set this automatic payment up please call the office with your banking information and we can start this process immediately.

5 Steps to Forming a Tech+Tools Budget

As anyone in the automotive industry will note, vehicles have undergone drastic changes in recent years. Cars are no longer just cars, but are now mobile computers that will soon communicate with one another.

So, if you're in the automotive repair industry, specifically, Greg Buckley, says it's time to stop thinking about repairing cars, and instead think about repairing technology.

Being forward thinking, you have to be ready for what's next," says Buckley, owner of Buckley's Auto care in Wilmington, Del. "Study the market, see what will be your best advantage down the line, and grow accordingly. It's a never-ending process if you're in this profession."

Looking down the line for your industry is one thing—being ready for that future is another. That's why Buckley stresses the importance of budgeting for the tools and equipment that will shape your business in the coming years. And you can build that budget through a few simple steps.

Step 1: Know Where Your Business is Going

It really all starts with taking a long, hard look at your business and where you want it to go, says Buckley. Perhaps you'd like to increase your shop's European work. Well, that may require a bigger budget, a host of new training classes, different factory scan tools, etc. If you've used Seyfer's method to determine if your shop can achieve an ROI on the tool or equipment, you can then look at market demographics and determine if there's enough business to justify your budget. If there is a healthy populations of VW and BMW customers in your region and you are willing to invest in obtaining those customers, than an increased tool and equipment budget will make more sense.

"Strategically, you have to plan," Buckley says. "Analyze what you can achieve from getting into that market or niche."

Step 2: Meet with Your Team

Then you'll want to meet with your entire team, he says. Buckley and his team regularly about changing vehicle technology and the next wave of repair equipment. As a shop owner who must budget his business expenses, these conversations open his eyes to a wide range of budgetary considerations, from testing equipment to diagnostics to computer monitors to lighting. By having an open conversation, Buckley can gauge what's holding his team back and what tools can allow them to work more efficiently.

Step 3: Determine a Percentage

Once you've nailed down which tools you'd like to make up your shop in the next year or coming years, then you can begin to put pen to paper and form a budget. While it can vary from year to year, based on the tools and technology you and your team have determined to be most valuable to your shop, you should nail down a percentage of annual sales to dedicate to your tool and equipment budget. Buckley says it can range between 5–15 percent, and that his shop usually lands around 7–8 percent.

Step 4: Consider Ancillary Costs

What most shops forget, however, is that your budget isn't just about the base cost of tools and equipment—you should consider training requirements, regular subscription costs and maintenance as well. This way, you're looking at the overall cost of equipment over an extended period of time and can form a long-term budget. Buckley suggests doing what you can to ease the financial burden of some tools and technology. It could be as simple as finding deals through your vendors, or as elaborate as doing group purchases with a pool of shops to receive a better price. All those factors should be considered when piecing together the budget.

Step 5: Build the Budget

Forming a budget that considers all these factors may sound daunting, but it doesn't have to any more complicated than a simple spreadsheet with a few rows and columns. Here's an example of a spreadsheet Buckley says could easily work for a basic overview of technology and tool costs.

Column A: List all of the equipment your team has determined will improve your operation.

Column B: List the price for that equipment.

Column C: Mark if this will be a short-, mid- or long-term investment. Short-term means you plan to buy the equipment within a few months; mid-term means you plan to buy within the year; long-term is a purchase 2–3 years down the road.

Column D: Mark down any expected maintenance costs or updates you'll need to make.

Column E: Mark any expected costs for training your employees on the equipment.

Column F: Mark any annual/monthly subscription costs that apply to the equipment.

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TRIVIA QUESTION

What are the three methods of payment the association accepts?

Call with a correct answer to qualify for a free month's dues!!!!

I hope you enjoyed reading this month's bulletin. If you have any questions feel free to call the association. We are here to help you and your industry.

Regards,

Carla Obalde

Operations Manager