

# Business Development Centers

## The Most Accountable, Measurable Department



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**I**n today's market, many dealerships are leaking money. They are unknowingly minimizing, rather than maximizing, the effectiveness and profitability of their marketing efforts. The source of this leak is a brilliant invention more than 130 years old. It is also the instrument used for endless marketing efforts, oftentimes by some of lowest paid (and least trained) employees in a company. I am referring, of course, to the telephone. The good news is this leak can be repaired.

In recent years, the term BDC has been discussed (or cussed) extensively. Most people understand that BDC is an acronym for a Business Development Center. However, the role and function of a BDC varies by dealership as much as the different models made by manufacturers. BDCs are so underdeveloped in many dealerships that they are often confused with a Customer Service Center. The only thing these two departments have in common is that they both use the telephone.

A customer service department utilizes Customer Service Representatives (CSRs). This position is generally one of an order-taker and is often responsible for fielding complaints. Probably, the CSR you are most familiar with is employed by

your cell phone company. The last time I had to endure a call with my cell phone carrier's customer service department, I shared with my CSR that she need not read the script or repeat everything I said. She immediately said; "Ok Mr. Rodean, so what you are saying is you don't want me to repeat everything you say. Is that correct?" I was astonished.

Unfortunately, cell phone company CSCs aren't always different from CSCs in dealerships. Many dealers who rely on CSRs to handle leads and phone ups don't seem to realize if they sound fake, insincere and scripted to us; it probably does to customers as well.

Now, before you believe I have anything against CSRs, please allow me to clarify my position on the subject. CSRs can serve a purposeful role in a dealership. They can improve CSI, make confirmation calls for service appointments and field customer concerns. They are not, however, persuasive in their role and by nature cannot fulfill the job description of a business development representative, or BDR.

The main function of a true BDC is to maximize the effectiveness and profitability of marketing efforts. This is done by well-trained (and managed) BDRs through effective communication skills and rapport-based

influence and persuasion. From my experience, the telephone is the "front line" of the car business. First impressions create perception and we all know perception is 99 percent of reality.

In many dealerships, management turnovers prevent lost deals from mishandled customers, but what about the ones who were never called and convinced to come in. A BDC is designed to transmit a sense of ease, comfort, trust, excitement or urgency and should validate the choice to visit the dealership.

Month after month, dealers spend tens of thousands of dollars on leads and TV, radio, direct mail, and Internet advertising. Then, they invest a fraction of that on fielding and follow-up of the calls those efforts generate. It is like having a sales prevention department! It is a frustrating dilemma for dealers. Most are ambitious and willing to spend on marketing yet disheartened by low results. This often leads to trying several different lead sources, advertising systems or companies and ultimately, turnover in personnel. A BDC turns leads into appointments that show and sell, or at the very least, show and tell—tell you what, if anything in your sales, process has room for improvement. The BDC is also responsible for all floor up and phone up follow-up. These efforts are coupled with extensive reporting that clearly define the ROI on each lead and advertising source.

Investing in a BDC ensures consistent communication with your customers. Skilled and prepared professionals make and take your calls. A BDR is not likely (or allowed) to judge who can and can't buy a car or who is and isn't

ready to buy a car. Their focus is only on establishing rapport and persuading customers to visit the showroom (or bring them back) to allow the sales department to close more deals.

An effectively managed and accountable BDC has 10 times the scrutiny as any other department and therefore has the potential to outperform every other department. It's a hard concept to visualize for most, but imagine if every sales opportunity on the floor was scrutinized like every call in a well-managed BDC. What if there were ongoing mystery shopping calls, daily one-on-ones with managers, public displays of excellence, constant role playing and ongoing training in your sales department? This type of scrutiny in the BDC causes improvement in not just the BDC, but in the sales and finance department because it often clarifies the pros and cons of any given process.

Fear of expense is the primary objection to a BDC. I can appreciate the concern because there is no cheap way to create, train and manage a quality department. The problem is it tends to be far more expensive NOT to effectively develop the department because if you don't, someone else surely will.

Dealerships that recognize a BDC as a separate department of the dealership with its own individual accountability will excel with the telephone. Dealers who do not recognize it as a separate, accountable department, but try to implement a BDC, are unlikely to succeed in maximizing anything but expense and frustration levels. From my experience, a successful BDC is built on a foundation of commitment, processes and skills—not scripts. **ADM**