



To Get Ahead of the Next Disruption, Pay Attention to the Essentials: People and Product

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Among the many lessons we learned from the pandemic is that you always need to be prepared for the next disruption. Regardless of the economic climate, there are fundamentally two things you need to stay in business: people and product. And these days, both are in short supply. Welcome to the new normal!

As quick-lube and auto repair shops try to return to "business as usual," it is important to acknowledge what has changed. Our customers are telling us that recruiting and retaining good employees is one of their biggest challenges. The labor shortage across all industries has been widely reported, and competition for skilled workers is fiercer than at any time in recent memory. Gone are the days when people felt lucky just to have a job. With unemployment at record lows, workers feel they have more choices. You're not just competing for talent with other shops or chain operations, but with other occupations and large employers like fulfillment centers and warehouse stores – businesses that can afford to advertise that they're hiring and offer well above minimum wage.

It's time to get creative with your recruiting and hiring practices. A "help wanted" sign in the window is not enough. Get the word out through social media and your business network. Utilize job fairs at local schools or in the community, especially those that have automotive trade programs. Be open to consider candidates whom may lack the experience, but have the right attitude and a willingness to learn. While experience is always preferred, skills can be taught. And don't overlook your current employees – they may well be your most effective recruiters. Offer referral bonuses and incentives for spreading the word among their friends.

Speaking of your current employees, what can you do to minimize employee turnover and relieve some of the pressure to hire? While offering competitive wages is an effective way to retain employees, they also want to feel like valued members of a team. They appreciate flexibility to tend to personal matters. They want to work for environmentally responsible

employers. Be sure you are creating a work environment where people feel they have a voice. Consider having a long-term incentive plan such as profit sharing or a bonus system and advancement opportunities that encourages people to stay longer.

On the product side, you don't want to get caught without supply. Proactively reach out to your suppliers before your inventory starts to dwindle. Ask them about their supply outlook and whether they are having any problems getting product. This is a good time to explore new relationships and line up some back-up suppliers, so you have other sources to turn to.

The labor shortage and supply chain issues are exacerbating the other big challenge impacting businesses today: inflation. Though it appears to be slowing down, higher prices may be with us for a long time. If your cost of doing business is going up, you will most likely have to pass it along to customers to maintain profitability.

Business as usual is clearly not what it used to be. Your ability to weather an inflationary cycle, an economic downturn, supply chain disruption, or another global health crisis starts with anticipating it before you have to. Make sure you have the basics covered so you can keep your business running and profitable.

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