

## DAVE'S CORNER:

"If something smells bad maybe it's time to check our own shorts."



**Dave Riccio**  
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Last time this newsletter went out I proposed that we adopt an industry wide **Automotive Repair Shop Code of Ethics**, not one of the fluffy codes that were designed for marketing, but one that has real meaning. The first "Standard of Practice" in the code of ethics was: **Never Bad Mouth the Industry, a Colleague or Competitor.**

The code of ethics was a hot topic and to be frank I got a lot of feedback, even in my own shop, about "how do we not throw another shop under the bus?" It's hard sometimes, but it's the high road.

Because I put it in writing, now I have to reflect on my own actions. "Are there ways in which I throw other shops under the bus?" I'm not just pointing fingers at everyone else, I'm examining myself as well. And there are many times that I want to throw someone under the bus. As a human being, I'm born with a propensity to be a hypocrite.

The intent of our code of ethics, is to clean up our industry. This is not a marketing code of ethics, this is a hard-nosed, calling a spade a spade and a way to examine our true motives.

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The next standard of practice is introduced here in this newsletter and is sure to be even more controversial. I look forward to your feedback.

We appreciate everyone who refers work our way and we strive to be a benefit to your business. Whether we do business together or not, I always appreciate relationships in this industry at any level.

Thanks for reading,  
Dave Riccio



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# Code of Ethics in the Automotive Industry

## Code of Ethics Standard Number Two:

### We Don't Design Marketing Around the Two-Step Selling Process

**The two-step selling process is just plain wrong!** Does that sound like a bold statement? If it does, you might already be jaded by a practice that many in our industry have come to accept as “standard operating procedure.” Standard doesn't make it right, does it?

I am familiar with a large local automotive chain in town that teaches this “two-step” selling practice to its managers and in sales training. This is how it works for those who may not know what it is. (Which I doubt.)

John Doe Customer was advised during a visit to his trusted shop that his vehicle was in need of a timing belt and given an estimate for a timing belt, water pump, belt tensioners, idler, etc. for a price of \$950. His vehicle has 110,000 miles and has never had a timing belt before. John, who trusts his current shop, is price sensitive and wants to make sure to do his due diligence. He decides to call Acme Auto Repair, a heavy advertiser, and asks for an estimate on a timing belt. Acme Auto Repair gives him a quote, but only quotes a timing belt ala cart with nothing else for \$350.

Acme Auto Repair is very good at the sales process making John start to mistrust his current shop, feeling like they are overcharging him. John then decides to go with Acme Auto Repair because it seems like the more economical choice. However, when he takes his car to the shop, and they get the car disassembled, they come back to him and tell him that “Ooh yeah, your water pump and idler all need replaced too; they look pretty bad.”

With the vehicle disassembled, Acme Auto Repair now no longer has to be competitive with his regular shop who was up front, and in this case, penalized for their honesty. And now that the car is taken apart John feels like he's stuck. Acme has him over a barrel. John feels like he's forced to buy the service which ends up costing \$1200, or

\$250 more than his trusted shop's original estimate.

This is a classic case of the **two-step selling process**. John's shop was honest and didn't get the job and the customer is left with a bad taste in his mouth for Acme, and the industry as a whole. You say, “Dave this is not wrong, we had no idea a belt tensioner and water pump were needed.” I ask, “Have you never done a timing belt before?”

Acme Auto Repair is now a home-wrecker; tantalizing the customer with the cleavage of low price, not revealing their full baggage. They usurped the trusting relationship that John had with his shop and now John is so embarrassed because he was fooled, that he doesn't want to go back to his regular shop. John no longer has a home.

**“In the two-step selling process, the intent to deceive to get the job is where the problem lies (the old bait and switch)”**

**In the two-step selling process**, the intent to deceive to get the job is where the problem lies (the old bait and switch). The transmission business is no different, except it's called RDI (Remove, Disassemble and Inspect). The customer takes the vehicle into the shop, the shop test drives it, calls them and tells them it's going to cost \$400 to take it apart to tell them what's wrong knowing full well that the whole job will cost over \$3500. But they don't want to tell the customer up front, so once the

transmission is out of the car and the customer can't leave, then they tell them the real price, putting the customer in a bad spot.

Now some transmission technicians will tell me “But Dave, we HAVE to take the transmission out to see what's wrong with it. We have NO way of knowing ahead of time what's wrong and what it's going to cost the customer.”

**I'm here to say that is a downright boldfaced lie!**

I ask, “Have you never fixed a transmission before?” (Well then maybe you shouldn't be fixing this one.) In today's age with all the estimating tools available, such as AllData, and the “commoditization” of the transmission replacement it is easier than ever to find the right price for the job long before taking the transmission out of the vehicle.



Another simple way is to compute the average cost of the last 10 times you've rebuilt that particular transmission, and you know the price.

It's mind boggling that some shops still actually teach RDI selling techniques even though it is the same as to intentionally deceiving people. I believe that people in the transmission business are jaded. If you make an exception to the rule once, it becomes a slippery slope until the wrong becomes normal. Normal doesn't make it right. And the results are that it gives your shop, my shop and the industry a bad name.

The reason for my boldness is that we are jaded! And many of us don't feel that the two-step selling process is wrong. Guess what, most alcoholics don't know they

**“It's mind-boggling that some shops still teach the RDI selling process.”**

are alcoholics! The point is, and why the practice needs to be eliminated, is that it is designed with the intent to deceive to get the job. As Americans we believe in good competition; it is what makes our economy work. **Is this fair competition or trickery?**

The battle our industry faces day in and day out is wrong consumer expectations. The majority of wrong expectations come from misleading sales tactics. We all need to learn to question our sales tactics and how we go to market. The main question we should ask ourselves is “what is our motive?” Just because we might have been trained to sell this way, does not make it right.

Consumers are often their own worst enemies. Because they should know that if there's a big difference in the quotes, something is wrong. But in John's case, the cleavage was too enticing and he was swayed.

We don't want to be home-wreckers do we?

I would love to hear your feedback. Email me at [frontdesk@tricitytrans.com](mailto:frontdesk@tricitytrans.com)

## Why You Should Always Check the Transmission Fluid

At Tri-City Transmission, we get two to three cars a week from general repair shops who have condemned a transmission when all they needed was a simple fluid adjustment. This happens more so in the winter. You are all familiar with transmission morning sickness. Why is that? Transmission fluid contracts in cold weather exacerbating the low fluid condition. Most technicians know that the transmission fluid neither evaporates nor burns up; so if there's no evidence of a leak, then they assume that it's not low on fluid. There's no leaks, so why check the fluid level, so they don't. With a modern transmission, half a quart low is too much, even in a 12 quart system.

However, what technicians fail to realize is that the radiator was replaced six months earlier, removing half a quart from the system which would not show up as a transmission leak.

Another example of this would be the transmission leaking into the transfer case or an improperly done prior transmission service where the fluid was left low or the filter was not properly seated.

What are the results of low fluid that didn't get verified? People get recommended a transmission they don't need.

Auto manufacturers have made it difficult and downright time consuming to check the fluid level so most don't. This fact is continually overlooked. I know it's a pain, but you're doing your customer a favor by checking the fluid level.

So how do you check the fluid level? It's different for every car. There's step by step instructions for just about every vehicle on Alldata.

A quick way to eliminate a low fluid concern is to overfill the transmission by a couple quarts to eliminate any questions. Don't worry; overfilling transmission fluid for testing is not going to ruin anything.

So remember to check the transmission fluid level, you could end up saving your customer thousands of dollars, making you look like a real hero.

*INSIDE: "How not to be a home-wrecker!"*

*Read the 2nd installment of Dave's Code of Ethics for the  
Auto Repair Industry*

*Also: Why You Should Always Check the Transmission Fluid*



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