

ROYAL

AUTO GROUP
of San Francisco

THE ROYAL WAY

Leadership

Results Oriented and People Oriented.

TRAINING SESSION

Royal Auto Group of San Francisco

Audi San Francisco • VW San Francisco • Volvo San Francisco • Mazda San Francisco

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The Royal Way — Leadership

Leadership at Royal is **Results Oriented and People Oriented**. Your job is to keep everyone's "arrows pointing in the same direction" so no energy is wasted — evaluating your team on how well they execute the *processes* and achieve the *outcomes*. This guide distills the Leadership Playbook into the core models a Royal leader must master: leading versus managing, accountability, workforce planning, developing people, practicing the craft of leadership, and leading through hospitality and emotional intelligence.

Module 1 — Leading vs Managing

Managers count outcomes; leaders build the processes that produce them. Great leaders spend most of their energy leading and just enough of it managing.

LEARNING OBJECTIVES

- Explain the difference between leading and managing.
- Apply the ideal 75% Leading / 25% Managing balance of the Leadership Pyramid.
- Use the 4 E's of Leadership to size up any person or situation.

Leadership's first job is **alignment** — keeping everyone's arrows pointing in the same direction so effort isn't wasted pulling against itself. From there, the discipline is to **Focus on Processes Not Outcomes**. Asking "How many appointments today?" is the equivalent of asking "What was the score yesterday?" — it looks backward at a result you can no longer change. Leading forward means coaching the behaviors that create tomorrow's score.

75% Leading / 25% Managing — On the Leadership Pyramid, leadership sits on top of processes. The ideal balance tilts heavily toward leading people, with just enough managing to keep the machine running.

The 4 E's of Leadership

- **Evaluate** — honestly assess the person, process, or situation.
- **Explore** — dig into the "why" and the possibilities before acting.
- **Elevate** — raise performance, skill, and standards.
- **Eliminate** — remove the waste, friction, or behavior holding the team back.

LEADERSHIP NOTE

"Evaluate the team on how well they execute the processes — not just the number on the board."

IN PRACTICE

A sales manager notices closing numbers dipped last month. Instead of berating the team over the outcome, she walks the process: Are appointments being confirmed? Are trade-walks happening? She Evaluates the daily behaviors, Explores where the process breaks, Elevates the confirmation script, and Eliminates the "we'll just wing it" habit — knowing the score will follow the process.

MY NOTES

Module 2 — Accountability Management

A culture of accountability begins with you. The most powerful influencer of performance is the one thing you always control — your attitude.

LEARNING OBJECTIVES

- Recognize attitude as the leader's most powerful, always-controllable influence.
- Apply the Six Elements of Accountability Management.
- Distinguish busy work from productive work.

NCM's Introduction to Accountability Management is blunt: "Your attitude is the one thing you always control," and it is the most powerful influencer of performance on your team. A culture of accountability does not start with a policy — it begins with you.

The Six Elements of Accountability Management

- Plan your work & work your plan.
- Clearly define & communicate expectations.
- Measure what you intend to manage (KPIs).
- Inspect what you expect.
- Respond appropriately to performance.
- Develop and implement a systemic structure.

♦ Busy work vs. productive work: three times a day, at random, ask yourself — "Is what I'm doing right now helping me reach my goals?"

The most expensive seven words in history: "That's the way we've always done it."

IN PRACTICE

A service manager sets a clear expectation (multi-point inspection on every RO), measures it as a KPI, and inspects a sample daily. When a tech falls short, he responds appropriately — coaching, not just criticizing — then builds a systemic structure (a checklist tied to the DMS) so the standard holds without him hovering. His steady, positive attitude sets the tone the whole drive follows.

MY NOTES

Module 3 — Workforce Planning & Retention

Strategic workforce planning means the right people, in the right jobs, at the right time — yet most dealerships still hire reactively.

LEARNING OBJECTIVES

- Assess your talent pool by High, Average, and Low performers.
- Apply the formula for creating great teams.
- Use the 3 keys to reducing turnover.

Strategic workforce planning is simply "right people, right jobs, right time." Assess your **talent pool** honestly: High, Average, and Low performers. Average performers "make or break" the team — they are the majority. Low performers often become "sacred cows" and "unintended leaders" who set a quiet ceiling for everyone around them.

Creating Great Teams

- **Hiring** (Right People) + **Capacity** (Right Job) + **Scheduling** (Right Times) = **Results**
- "Good People + Good Process = Talent."

Retention — 3 Keys to Reducing Turnover

- Effective Leadership
- Work-Life Balance
- Career Development

"Be the reason they stay." Connect, Adapt, Deliver.

IN PRACTICE

A GM stops firefighting open positions and maps the department a quarter ahead. She invests in an average-performing advisor with a clear development path (Career Development), fixes a punishing Saturday rotation (Work-Life Balance), and coaches the team lead (Effective Leadership). Turnover on the drive drops — she became the reason they stayed.

MY NOTES

Module 4 — Developing a High-Performing Team

Leaders manage inventories and processes, but they coach, train, and motivate people. The fastest way to grow a team is to catch people doing something right.

LEARNING OBJECTIVES

- Run effective one-on-ones that state purpose, give specific praise, and describe impact.
- Apply the three One Minute Manager techniques.
- Use coaching skills to grow people, not just manage tasks.

Develop your team through **one-on-ones**: state the purpose, be specific with your praise, and describe the impact of the behavior. Leaders help others grow — they manage inventories and processes, but they coach, train, and motivate *people*.

The One Minute Manager

- **One-Minute Goal Setting** — agree on what good looks like, briefly and clearly.
- **One-Minute Praise** — catch people doing something right; be specific and immediate.
- **One-Minute Re-Directing** — address the behavior, describe its impact, then reaffirm your belief in the person.

♦ Practice "management by walking around." Presence on the floor is where goal-setting, praise, and re-directs actually happen.

LEADERSHIP NOTE

"Catch people doing something right." Coaching skills include Goal Setting, Active Listening, Observe, and Evaluate — the leader's job is to grow others, not to be the hero.

IN PRACTICE

Walking the floor, a manager overhears a green salesperson handle a price objection well. On the spot he delivers a one-minute praise — specific behavior, real impact. Later, when the same rep skips the trade walk, he uses a one-minute re-direct: names the miss, its impact on gross, and closes with genuine confidence in the rep's ability.

MY NOTES

Module 5 — Effective Leadership Skills to Practice

Leadership is a craft you rehearse. The difference between an appropriate and inappropriate response lives in the person, the words, and the body language you choose in the moment.

LEARNING OBJECTIVES

- Break a response down into Person, Verbal Language, and Body Language.
- Distinguish appropriate from inappropriate leadership responses.
- Rehearse skills through role-play before you need them live.

Effective leaders build Appropriate vs. Inappropriate response skits using three lenses: **Person** (who you are speaking to and their state), **Verbal Language** (the words and tone), and **Body Language** (what your posture and face say before you speak). Skills Practice scenarios let you fail safely in the classroom so you succeed on the floor.

Three Lenses on Any Response

- **Person** — read who is in front of you and meet them where they are.
- **Verbal Language** — choose words and tone that inform and de-escalate.
- **Body Language** — align posture, eye contact, and expression with the message.

IN PRACTICE

An upset customer confronts an advisor at the drive. In a Skills Practice skit, one leader models the *inappropriate* response — crossed arms, defensive tone. Then the group runs the *appropriate* version: open posture, calm verbal acknowledgment, reading the person before responding. Rehearsing both makes the right response automatic when it counts.

MY NOTES

Module 6 — Royal / Audi Hospitality & Emotional Intelligence

Service delivers the product; hospitality makes people feel special in the process. The heart of hospitality is emotional intelligence — and it starts with how you regulate yourself.

LEARNING OBJECTIVES

- Distinguish Service from Hospitality and apply the 4+1 Service Core Process.
- Use self-awareness, self-regulation, and the Ripple Effect (DISC) to lead your impact.
- Ask curious questions that build psychological courage and collaboration.

Service vs. Hospitality: Service is delivering a product efficiently and correctly. Hospitality is making people feel special in the process. As Will Guidara puts it in *Unreasonable Hospitality*, "one size fits one." Audi Hospitality lives in the Sales Guest Experience Journey (6 stages) and on the drive through the service process below.

The 4+1 Service Core Process

- **Contact** — the first touch.
- **Check-In** — the welcome and hand-off.
- **Vehicle Service** — the work itself.
- **Service Conclusion** — the close and delivery.
- **+1 Customer Engagement** — the continuous thread through all four stages.

The heart of hospitality is **EQ**, and EQ begins with **self-awareness and self-regulation**. Your emotional state creates a **Ripple Effect** across employees and customers.

The Ripple Effect — DISC Leadership Styles

- **D** — Dominance: drives results; unchecked ripple can feel forceful.
- **i** — Influence: energizes and connects; unchecked ripple can lack follow-through.
- **S** — Steadiness: brings calm and loyalty; unchecked ripple can resist needed change.
- **C** — Conscientiousness: ensures quality; unchecked ripple can feel critical.

✦ Self-Regulation tips: Pause. Label the emotion. Reframe. Set boundaries. Reflect, don't ruminate. Positive self-talk.

Great leaders create **Psychological Courage** (Amy Edmondson) by leading with vulnerability, and they draw people out by **Asking Curious Questions** across five categories: Empathy & Understanding; Encouraging Clarity & Reflection; Building Psychological Courage; Fostering Collaboration & Empowerment; and Showing Gratitude & Valuing Input.

Ritz-Carlton empowers every front-line staff member to resolve any guest issue costing \$2,000 or less — trust and empowerment are the engine of unreasonable hospitality.

IN PRACTICE

A high-D service director feels his temper rising when a repair goes sideways. He self-regulates — Pause, Label, Reframe — so his ripple stays calm rather than combustible. Then, instead of dictating, he asks a curious question: "What would make this right for you?" He empowers the advisor to fix it on the spot, turning a failure of service into a moment of hospitality the guest will remember.

MY NOTES

Apply It

Exercise 1: Your 75/25 Audit

Over the last two weeks, estimate how your time split between **Leading** (coaching, developing, aligning arrows) and **Managing** (reports, transactions, firefighting). What is one managing task you can delegate or systematize to move closer to 75% Leading?

Exercise 2: Process, Not Outcome

Name one outcome you currently obsess over ("What was the score yesterday?"). Identify the two or three daily **processes** that actually drive it — the behaviors you could coach forward instead.

Exercise 3: Accountability Begins With You

"Your attitude is the one thing you always control." Describe a recent moment your attitude rippled onto your team — for better or worse. Which of the Six Elements of Accountability Management is weakest in your department right now, and what is your first step to strengthen it?

Exercise 4: Talent Pool & Retention

Sort your team into High, Average, and Low performers. Who is an average performer who could "make or break" the team with your investment? Using the 3 keys — Effective Leadership, Work-Life Balance, Career Development — write one action to "be the reason they stay."

Exercise 5: One Minute in Action

Write a specific one-minute praise you will deliver this week (name the behavior and its impact). Then draft a one-minute re-direct for a behavior that needs to change — remember to close by reaffirming your belief in the person.

Exercise 6: Regulate Your Ripple

Which DISC style best describes your leadership (D, i, S, or C), and what is its potential negative ripple on employees and customers? Choose two Self-Regulation tips — Pause, Label, Reframe, Set boundaries, Reflect don't ruminate, Positive self-talk — you will use under pressure this week.

Role-Play: What Would Coach Do? — Redirecting an Entitled Top Salesperson

Setup: Your top salesperson posts great numbers but has grown entitled — skipping the trade walk, ignoring the team schedule, and undermining newer reps who look to them as an "unintended leader." The behavior is quietly setting the team's ceiling. Numbers alone tempt you to look the other way. Run the coaching conversation using the One Minute re-direct and curious questions.

- Role A — The Leader: Open by reading the person (Person / Verbal / Body Language). Deliver a one-minute re-direct — name the specific behavior and its impact on the team, then reaffirm genuine belief in this person's talent. Ask a curious question to build psychological courage rather than defensiveness ("What would help you lead the way here?").
- Role B — The Top Salesperson: Start defensive — "My numbers speak for themselves." Respond to how the leader handles you. Soften only if the leader addresses the behavior (not your worth) and shows they still believe in you.
- Observer: Note whether the leader focused on process or outcome, kept their emotional ripple in check, and closed with belief in the person. Share one thing that landed and one to sharpen.

Knowledge Check — 10 Questions

Answer all ten questions below. These are the same questions you will complete on the online quiz.

Q1. On the Leadership Pyramid, what is the ideal balance between leading and managing?

- A. 50% Leading / 50% Managing
- B. 75% Leading / 25% Managing
- C. 25% Leading / 75% Managing
- D. 100% Managing
- E. 60% Leading / 40% Managing

Q2. The 4 E's of Leadership are:

- A. Evaluate, Engage, Elevate, Empower
- B. Explore, Execute, Elevate, Eliminate
- C. Evaluate, Explore, Empower, Eliminate
- D. Evaluate, Explore, Elevate, Eliminate
- E. Engage, Explore, Elevate, Eliminate

Q3. According to Accountability Management, the one thing you always control is:

- A. Your attitude
- B. Your schedule
- C. Your team's KPIs
- D. Your inventory
- E. Your compensation plan

Q4. The Six Elements of Accountability Management begin with:

- A. Inspect what you expect
- B. Measure what you intend to manage
- C. Plan your work and work your plan
- D. Clearly define and communicate expectations
- E. Respond appropriately to performance

Q5. The formula for creating great teams is:

- A. Good People + Good Pay = Results
- B. Recruiting + Training + Retention = Results
- C. Hiring + Coaching + Culture = Results
- D. People + Process + Profit = Results
- E. Hiring + Capacity + Scheduling = Results

Q6. The 3 keys to reducing turnover are:

- A. Pay, Perks, Promotion
- B. Effective Leadership, Work-Life Balance, Career Development
- C. Hiring, Training, Scheduling
- D. Recognition, Compensation, Flexibility
- E. Culture, Coaching, Communication

Q7. A guest's car is repaired correctly and returned on time, but no one greeted them, learned their name, or made them feel valued. What was missing?

- A. Service was missing
- B. Efficiency was missing
- C. Accountability was missing
- D. Hospitality was missing
- E. A KPI was missing

Q8. The 4+1 Service Core Process consists of:

- A. Contact, Check-In, Vehicle Service, Service Conclusion + Customer Engagement
- B. Greet, Diagnose, Repair, Deliver + Follow-Up
- C. Contact, Estimate, Repair, Invoice + Survey
- D. Check-In, Inspect, Service, Check-Out + Retention
- E. Contact, Check-In, Repair, Payment + Loyalty

Q9. Ritz-Carlton empowers each front-line staff member to resolve any guest issue costing up to:

- A. \$500
- B. \$1,000
- C. \$2,000
- D. \$250
- E. \$5,000

Q10. Your top salesperson is talented but acting entitled and undermining newer reps. Using the One Minute Manager, your best first move is to:

- A. Ignore it because their numbers are strong
- B. Publicly reprimand them on the floor
- C. Cut their commission without a conversation
- D. Transfer them to another store
- E. Deliver a one-minute re-direct: name the specific behavior and its impact, then reaffirm your belief in them