“Service Department Analysis for Lewis & Clark Ford” by Adam Spady N425

Marketing

As for marketing the service department, we are going to run service specials on our radio ads in the future. We have never advertised for service on the radio or television. We are going to run a special for our Works Package on the radio for the month of October and track the response of this.

Cost of Labor

We pay our technicians by the hour and based on proficiency. We have made an adjustment to our lead technicians pay plan. He will be discouraged from doing oil changes in the future as every time he is changing oil we are losing money based on his pay rate. We have also provided a bonus structure for technicians to do MPI every vehicle every time.

Changes in Expense Structure

We are not selling all of the available hours in the shop and not even close. Our expenses are high and the shop is not covering the selling expenses or the semi fixed expense. We have fired our service manager, moved our lead technician to mainly diagnose the vehicles and to push the work to the less expensive technicians. We have increased our ELR (Effective Labor Rate) , applied for an increase for warranty rate and increased our competitive labor pay. We have also created a special op code for electric vehicles ELR ($189) and Heavy Commercial Equipment ELR ($199)/ hr.

Productivity

We have given the lead technician a weekly incentive as a shop total and his own team to manage. This will decrease our expenses and increase our proficiency. We also have preloaded vehicles (UVI) into the bays at night so that the technicians have work right away each morning. We have implemented a new software system to track the time in and time out of vehicles in the service shop to hold people accountable. We are going to monitor the time each vehicle is on every lift and increase the turn time.

Facility

We have added a 4 post mobile hoist that can accommodate heavy trucks, buses, and large commercial vehicles. We will have our diesel technician utilize this to increase our facility output and increase proficiency. We also had quick lube technicians using our heavy alignment rack. We will ensure that the heavy rack is used for vehicles that are paying high labor rates and with high productivity. We also have added tire racks and begun stocking tires to sell to better utilize our facility.

Strengths

1. Strong leadership and adaptability.
2. Good group of people and easy to work with.
3. Open space good work environment.
4. Techs willing to work together and help each other.
5. Ability to bring up new ideas & implement these ideas.
6. Current staff has a strong sense of purpose and wants to perform.
7. Plenty of personnel and no issues getting the customer's vehicle in.

Weakness

1. Lack of communication from upper management.
2. Inefficient scheduling with customer appointments.
3. Slow "Quick Lane"
4. Slow parts department and a bottleneck of parts held
5. Misplacing RO's and losing customer information.
6. Training not sufficient.
7. AutoSoft system is not adaptive or efficient.
8. Writing tickets incorrectly and incorrect paperwork to customer.

Opportunities

1. Placing oil filters in quick lane to expedite processing.
2. Better quality training for employees.
3. Need to implement sales incentives.
4. Integrate more technology into the system.
5. Getting a better system in place for lost tickets and better process.
6. Improve customer interaction and better customer service.

Threats

1. Poor customer service and customer communication.
2. Parts is very slow and inefficient.
3. No follow up with no show customers.
4. Lack of unclear processes and chain of command.

5. Too many comebacks in the service department.
6. Too few customer interaction management with technicians.

Objectives

1. Improve scheduling, involve BDC in service scheduling and follow up.
2. Implement better processes and hold employees accountable
3. Move oil filters into the Quick Lane to make it more quick .
4. Track lost sales and implement a CRM to track communication.
5. Daily grading of RO's and sales on tickets
6. Daily manager meeting with technicians to increase communication
7. Increase shop proficiency and lessen come backs.
8. Redo parts pricing matrix and train parts on processes

Tactics

1. Have a monthly physical inventory count to lessen parts burden.
2. Have a weekly meeting with the Service Manager. Review goals, objectives, and results
3. Have a weekly meeting with the Parts Manager. Review goals, objectives, and results
4. Look at pricing guides and increase competitive pricing.
5. Involve technician more in communication with management.
6. Have lead technician diagnose every vehicle to lessen come backs.
7. Have a weekly meeting with BDC to ensure service follow up and satisfaction.

Action Plan

Task	By Whom	Completion
Implement Dealer FX software	General Manager	11/11-11-30, 2023
Adjust pricing matrix	Parts Manager	Oct 2, 2023
Track lost sales, negative on hand	Parts Manager	Daily
Grade RO's track sales	GM/ Ser. Manager	Weekly
Extend service hours on Saturdays	GM	Oct 1,2023
Adjust lead technician pay plan	GM	Oct 1,2023
Create bonus for MPI	GM/ Ser. Manager	Monthly
Fire Current Service Manager	GM	Sept 27,2023
Weekly technician meeting	GM	Weekly
Weekly Service Manager meeting	GM	Weekly
Allow technicians to work after hours	Ser. Manager	Oct 1,2023

Synopsis

It is very obvious after looking at all the facts and figures that the service director in place had to be fired. We released him of his duties and have promoted the lead tech to split his time between the shop and the advisors for now. There was an overall lack of accountability, follow through, and customer satisfaction.

We have extended the service hours on Saturday from 12:00 noon to 5 p.m. to match sales hours.

We will increase our parts and competitive pricing to improve gross profit and sales.

We have begun preloading bays at night with UVI's to start each morning with them.

I have implemented a new software program that will allow the dealership to inspect what it expects. This new software will take us out of the stone age from paper RO's to a system that tracks the MPI, and will have notes from both service and parts as well as a CRM and a scheduling tool.

We are excited to have a new shop process and with accountability standards we expect our shop to breakeven or even become profitable within the next few months.