

SERVICE DEPARTMENT ANALYSIS FOR FLAHERTY CHEVROLET

BY TRAVIS FLAHERTY CLASS N425 STUDENT #27

Repair Order Analysis Summary Report							
	Sales in Dollars	FRH's on RO's	Averages	Analysis			
Competitive	\$ 4,444	÷ 82.45	= 53.89	FRH Average			
Maintenance	\$ 1,440	÷ 10.80	= 133.32	FRH Average			
Repair	\$ 7,437	÷ 62.50	= 118.99	FRH Average			
Totals	\$ 13,321	÷ 155.75	= 85.53	Customer ELR			
		Target Labor Rate	110.06	Per FRH			
Total Ro's in Sample	100	Difference	-24.53	Per FRH			
Cost of Labor							
Total Cost of Labor	3357.57	÷ Total Sales	= 25.21%	Percent Cost of Sales			
Total Cost of Labor	3357.57	÷ Total FRHs	= 21.56	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	13,320.60	÷ Total ROs	= 133.21	Avg Labor per RO			
Total FRHs	155.75	÷ Total ROs	= 1.56	Avg FRH's per RO			
Menu Sales		÷ Total ROs	=	Percent Menu Sales			
Competitive FRHs	82.45	÷ Total FRHs	= 52.94%	Percent Competitive			
Maintenance FRHs	10.80	÷ Total FRHs	= 6.93%	Percent Maintenance			
Repair FRH	62.50	÷ Total FRHs	= 40.13%	Percent Repair			
One item ROs	0	÷ Total ROs	= 0.00%	Percent One Item RO			
Model Year Analysis							
2024	2023	2022	2021	2020	2019	Older	Total
0	2	4	11	16	17	50	100
0.00%	2.00%	4.00%	11.00%	16.00%	17.00%	50.00%	

### Strengths:

- *Solid team (trained technicians).*
- *Solid management structure.*
- *Equipment and tools.*
- *Loyal customer base.*
- *Ability to resolve most issues.*
- *Team oriented.*
- *Good attitudes.*
- *Reputation.*
- *Ability to adapt to ever-changing environment.*
- *Minimal comebacks.*
- *Parts team.*

### Weaknesses:

- *Communication.*
- *Turnover in Express Service and Service Lane.*
- *Pay plans.*
- *Parts availability/FTFR.*
- *Teamwork. Competition within the team.*
- *Tires.*
- *Organization/time management.*
- *Response time in X-time.*
- *Following process and procedure. Moving too fast.*
- *Quality checks.*
- *Space overall. Storage/tool space.*
- *Reach outside Meade Co.*
- *Training/onboarding.*
- *Housekeeping.*
- *Main shop techs ignoring MPVI.*
- *Not taking a swing at every recommendation by Advisors.*

- *Dependent on the policy calculator.*
- *Abandoning failed process implementation too soon.*
- *Taking time to get organized.*
- *Safety/signage. Overall, not taken seriously.*

#### *Opportunities:*

- *Training*
- *Corporate opportunities to market employees.*
- *Little competition.*
- *Become more efficient.*
- *Invest in the employees we have.*
- *Shop supplies.*
- *Better customer communication. Listening.*
- *Labor rate matrix.*
- *Service interval packages*
- *Quality MPVI's*
- *Improved parking*
- *Video MPVI*
- *Personal development for all*
- *Quality control*
- *Higher % FTFR*

#### *Threats:*

- *Inconsistency.*
- *Turnover/shorthanded.*
- *Strike (parts crisis).*
- *Competition.*

- *Complacency.*
- *Not profitable.*
- *Turnover.*
- *Parts pricing.*
- *Flooding schedule.*
- *Liability from personal data.*
- *Liability from ignoring MPVI presentation.*
- *OSHA guidelines. Safety not taken seriously.*
- *Economy.*
- *EV's*

*Objectives:*

- *Marketing the Service Dept. with a consistent message via a daily discussion with our Marketing Manager.*
- *Create a more lucrative schedule and pay plan for Express Service techs.*
- *Improve technician efficiency by tracking weekly, monthly, yearly.*
- *Mandatory 100% MPVI by every technician.*
- *Provide a better overall customer experience provided by each Service Advisor.*
- *Better communication with and utilization of BDC rep.*
- *Elimination of customer calling because they haven't heard back from us.*
- *Daily meetings amongst Service Managers and Parts Manager.*
- *Establishing an effective labor pricing matrix.*
- *Become a place where employees want to work, and customers want to shop.*

### Strategies:

- *Improve our hiring process, pay plans and work schedule for the Express Techs and Service Advisor's allowing for staggered hours, higher pay and better quality of life.*
- *Minimum of 3 social media posts per week for Service. At least 1 must be an Advisor or Technician discussing your cars service needs. Who we are, not just what's on sale.*
- *Track FTFR by the Parts Dept and technicians to discuss in Service meetings to improve efficiency.*
- *Finding parts solutions ASAP when we can't complete a FTFR on each job to improve customer satisfaction.*
- *Utilize marketing opportunities to recruit employees and to fill hours available in Service.*

### Tactics:

- *Training for all.*
- *Teambuilding events.*
- *Touchpoints to customers every day @ 10:00, 2:00, and 4:00.*
- *100% MPVI!*
- *Implementing video MPVI*
- *Geofencing ads for Service coupons on competition and to recruit competitor's employees.*
- *Creating a separate work area for tire installation and repair away from Express Service.*
- *Raise starting Express tech pay to \$16 per hour.*

- Raise oil changes and tire rotations to offset the increased cost of labor.

*Objectives/Strategies/Tasks*

*Task*

*By Whom*

*Completion Date*

**SWOT ANALYSIS**

- Action Plan

<b>TASK</b>	<b>Position responsible</b>	<b>Check in/completion schedule</b>
Moving detail offsite	Travis	12/1/23 completion = 3/1/24
Create 4/10 Express tech schedule	Service Managers	12/1/2023
Marketing review	Daniel and Tony	Weekly
Create excel spreadsheets	Michele/Marie/Tony/Corey	Weekly
Create Advisor path of improvement	Tony	12/1/2023
MPVI review training with all service employees	Corey and Tony	12/1/2023
Establish pricing changes/matrix	Tony/Corey/Travis	12/1/2023

*Synopsis:*

*We understand the goal to improve the overall customer experience while improving service department efficiency goes hand in hand. The need for flexible scheduling and for improved transparency throughout the entire process is what our customers want and deserve.*

*January 1, 2024, we will improve marketing for the Service Department that not only tells you about specials but tells you who we are and why you should trust us with your cars service needs.*

*Starting on January 1, 2024, we will be extending our Service hours to match our Sales hours.*

*Starting on January 1, 2024, we will require each technician perform 100% quality MPVI's and include videos and inspect daily.*

*Starting on January 1, 2024, we will ensure better presentations of these MPVI's and maintenance menu presentations to our customers to improve the amount of maintenance and increase the amount of sold recommendations.*

*We will check the progress of these new process implementations in our weekly manager's meetings.*

*We will see an immediate increase of 50% increase in Express Service RO's that will generate over \$475,000 in gross profit in the first year. We expect an increase of 20%+ in recommended job approvals from the video implementation that will generate an additional \$615,000 additional gross profit.*

*The bottom line is, we will improve customer satisfaction and loyalty through improved processes and customer transparency. We will improve employee satisfaction, reduce turnover, all while generating over \$1 million in gross profit by implementing these changes. These changes will create foundational stability for our company and ensure we remain a staple in our community for generations to come.*