



BLACKWELL
AUTOMOTIVE

Service Department Analysis

by Richmond Blackwell

Class SM39

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 1,604 ÷	31.70 =	50.61	FRH Average
Maintenance	\$ 7,388 ÷	88.40 =	83.57	FRH Average
Repair	\$ 13,939 ÷	103.90 =	134.16	FRH Average
Totals	\$ 22,931 ÷	224.00 =	102.37	Customer ELR
Target Labor Rate			110.00	Per FRH
Total ROs	100	Difference	-7.63	Per FRH

Cost of Labor

Total Cost of Labor	7813.08 ÷	Total Sales	=	34.07%	Percent Cost of Sales
Total Cost of Labor	7813.08 ÷	Total FRHs	=	34.88	Cost per FRH

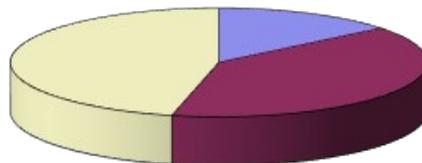
Repair Order Measurements

Total Labor Sales	22,931.24 ÷	Total ROs	=	229.31	Avg Labor per RO
Total FRHs	224.00 ÷	Total ROs	=	2.24	Avg FRH's per RO
Menu Sales		Total ROs	=		Percent Menu Sales
Competitive FRHs	31.70 ÷	Total FRHs	=	14.15%	Percent Competitive
Maintenance FRHs	88.40 ÷	Total FRHs	=	39.46%	Percent Maintenance
Repair FRH	103.90 ÷	Total FRHs	=	46.38%	Percent Repair
One item ROs	56 ÷	Total ROs	=	56.00%	Percent One Item RO

Model Year Analysis

2024	2023	2022	2021	2020	2019	Older	Total
0	0	2	2	1	3	92	100
0.00%	0.00%	2.00%	2.00%	1.00%	3.00%	92.00%	

Labor Mix



■ Percent Competitive
 ■ Percent Maintenance
 ■ Percent Repair

Strengths

Product knowledge. We specialize in only Toyota and Nissan products which allows us to diagnose more accurately based off of experience on these vehicles

Flexibility to adjust to customers' needs. And empowerment of service writers to handle situations Our Service writers have the authority to adjust schedule and price based on customer needs or complaints.

Unique customer base - friendly/relational. We have developed a clientele over the years that is loyal and trusting.

Strong reputation- we have the best google score in our market and we have a strong word of mouth reputation

Customer service- our customer service is unmatched in our market. We cater to the customers needs, not the vehicle.

Quick availability to begin work on vehicles-We do not work on a schedule which lets us take in vehicles without having a 2 week back log.

Emergency Loaner cars—These are available when we “drop the ball” and do not have the customers vehicle ready on time. This helps get the customer where they need to go while we finish their vehicle

OEM diagnostic equipment. We have the specialty equipment that allows for diagnostic and programming for the vehicles we specialize in.

Large facility- We have 20 bays which gives each tech at least 2 bays to work with.

20 years in business.

Weaknesses

Communication, Techs need to know of approval as soon as we receive it. SW need to know more details of the vehicles conditions when invoicing.

Overpromising when vehicle will be ready. We often tell the customer that it will take the amount of time that is in the estimator to complete their vehicle. This leads to missed completion time and frustration for the customer

Some use of non oem sub-par parts, some parts are ordered for speed, not for quality.

Taking in cars that we should not work on. Some times we have a hard time saying no and we get stuck with a problem vehicle.

No OEM scan tool for infinity and Nissan

Quality control, Some techs do not check to see if the car is in clean before it leaves. And sometimes they check to make sure the part we installed is working correctly but do not check to see if the original complaint is resolved

Some employees working for a paycheck and not for the company. They only do the bare minimum to get by.

Opportunities

Locations- We are currently looking at buying a second location.

Growth in the Chattanooga area. Our town has an influx of new residents which will need vehicle service

Threats

Parts availability, We experienced this a little during covid but still looms if there are supply shortages.

Customer reviews- We have excellent reviews currently but there is always a chance that could change

Close to bad part of town-The demographic as shifted a little since we first opened up here and it is starting to get a reputation.

Parts deliveries

Strong competition-There are several good places in town to have a vehicle worked on.

Difficult to find qualified technicians

Objectives

Improve communication between service writers and technicians

Give more accurate completion times.

Reduce our 1 item repair orders.

Reduce usage of sub-standard parts.

Eliminate problem vehicles before we work on them.

Improve quality control.

Keep strong reputation.

Improve profit margin on competitive and maintenance labor

Strategies

Create system to improve communication within shop

Create time frames for service writers to give to customers for repairs

Encourage technicians to better evaluate each vehicle to be able to sell more per RO.

Create list of no-usage part lines to eliminate problem parts

Create policy of which cars we want to eliminate.

Create a standard for checking vehicle after it is serviced.

Continual monitoring of customer satisfaction

Distribute work differently to maximize profitability

Tactics

Implement policies to have “need to know” staff notified of any updates on RO; whether it is approval of work, delay of parts, completion of work, etc.

Implement a time estimate for completion that is 1.5-2 times the flat rate for the job. This will help to eliminate over expectation for job completion.

Every vehicle that comes in the shop will be given a complementary evaluation to try to get more time per RO and reduce 1 line Ros

Keep track of problematic lines that create comebacks. Also have parts specialist research and produce a no-use parts list. Compile both to create a master list of parts lines to never use.

Implement a policy of diagnostics only on the brands we specialize in; service work for other makes and models, and a vehicle age restriction on what we will work on these older vehicles.

Create an after-service check list.

Monitor and respond quickly to customer complaints

Load the line and master techs with diagnostic and heavy repair work first and have lower level techs do the competitive and maintenance labor repairs

Action Plan

Task (by whom) Completion Date

Create more menu items to help service writers reduce 1-line ROs. (Service Manager) *Jan 1st 2024.*

Give MDI sheet to technicians with every RO (Service Writers) *Jan 1st.*

Distribute work to techs based on skill level to improve profitability. (Service Writers)
Immediately

Conduct cost/profit analysis to push more profitable maintenance items (Service Manager) *Jan 1st*

Implement policy on time frame given to customer for job completion. (Service Manager)
Immediately

Technicians complete an after-service check list to go over before returning vehicle to customer (Technicians) *Immediately*

Create list of problem parts to make a no-order list (Parts Specialist) *Jan 1st.*

Create policy of communication between techs and service writers to improve efficiency. (Service Manager) *Jan 15th.*

Implement policy of which cars we will diagnose, which cars we will service and which cars we will not work on. (Service Writers) Monitored by service Manager. *Jan 1st.*

Synopsis

Our communication breakdown is costing us something we can never get back; time. We are going to be improving the process so there is no down time. As soon as we get approval we will be letting the techs know to start the repair.

Our 1-line ROs are way too high and we can be much more productive and profitable when we lower this ratio. We are going to provide the service writers with an extended list of menu items to sell as well as performing a courtesy inspection on all vehicles. We will also evaluate which of the services are more profitable. This will also help as a reminder to the techs of what all they should be checking.

We have had an issue with overpromising delivery times because the service writers would tell the customer the labor time without accounting for time to get the vehicle in, any trouble that arose during the repair and speed at which the repair could be done. We are going to now use a matrix to compound the time to give the customer a more accurate delivery time.

To watch our reputation, we are going to have the technicians perform a job completion worksheet. This will allow us to catch things such as warning lights, grease in car, tire pressures and other things that the tech may overlook or forget to do. We will also continue to send out 2nd day surveys to try to catch any problem that may arise after the vehicle leaves.

Overall we will be running a “tighter ship”. The NADA class has given me several guides to measure efficiency and profitability. We will be using these measurements to guide us into a more profitable 2024.