

“Service Department analysis for Pine Belt Chevrolet”

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N432-23

- 1- Marketing-How will you market the dealership's service department with the goal of maintaining existing and new customers.

We will run conquest campaigns to target customers that aren't currently in our database as well as customers that haven't visited the dealership in 18 months. We will also engage in social media by using service writers and techs to do tech tips, also have salespeople maintain their follow up calls to help schedule their first service visit.

- 2- Analyze cost of labor- Our techs are currently paid flag time on sold hours. Currently we have no plans of changing how they are paid.

- 3- Changes in expense structure- Are you selling all available hours? Are your expenses in line? We aren't currently selling all available hours. Our expenses are currently in line at 57.70%

- 4- Productivity- How will you increase your Tech Proficiency?

We will conduct an in house survey with the assistance of the shop foreman to see where we might can cross train lower level technicians by pairing them up with senior techs on unfamiliar jobs as well as making sure they have a clear vision of their path within the company and what we would like them to achieve.

- 5- Facility- What changes will you make to increase your utilization?

We will assist the service manager in measuring individual tech utilization to see who the under-performers are in the service department. Once we have data from several months we will use this to see what techs we need to work with to ensure they are properly trained and are being issued the correct types of jobs.

- 6- 100 Repair Order Analysis- Complete

# Internal Factors

**S**

## Strengths

- \* Extended Hours
- \* Well Staffed
- \* Plenty of Internal work
- \* Early Parts delivery + Afternoon parts delivery
- \* Aggressive employees

## Weaknesses

**W**

- \* All techs not 100% trained
- \* High turnover on counter
- \* Weak selling
- \* Inefficient Techs.
- \* Pushing through jobs + having comebacks.

**O**

## Opportunities

- \* Plenty of work
- \* 90% of internal work approved
- \* Lots of room for improvement if properly trained + taught proper way for certain repairs.



## Threats

**T**

- \* Unable to sell jobs (upsell)
- \* Techs not getting on board with required training
- \* Techs quitting due to not getting enough hours.

# External Factors

### Objectives-

- 1- Increase number of recommended sales.
- 2- Decrease number of comebacks
- 3- Improve gross on parts and labor sales.

### Strategies-

- 1- Have new writers complete a training program.
- 2- Assign all techs. a GM Global connect login for training.
- 3- Implement new Grid Pricing for labor and parts.

### Tactics-

- 1- Bring outside training in for sales consultants and require all new consultants to complete an apprentice training program with Service Manager and then lead service writer.
- 2- Have all techs. understand the training path that we have them on, also enroll them in any available hands on class for GM training.
- 3- Adjust grid pricing, provide proper training to writers on sales skills, and implement bonus program for obtaining goals set by Service Manager to help increase parts and labor gross.

## SERVICE OPERATIONS ASSIGNMENT – ACTION PLAN

**S** Specific    **M** Measurable    **A** Achievable    **R** Relevant    **T** Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?  
Example: "I will decrease my 5K run time from 30 minutes to 21 minutes by June 15, 2020."

**S M T**

I will increase my overall technician proficiency by 17.08% compared to study month of 62.92% which would result in 80% technician proficiency by 01/31/2024

How does this goal align with or support your dealer's vision?  
What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?  
Why is this goal important to you?

**R**

The dealer vision is to be the number one GM Dealer in the area, by increasing the tech proficiency wait times should decrease for customer wait which will increase customer satisfaction resulting in better overall community perception. The other benefits will include more overall gross profit. Increased labor sales could be a possibility as long as writers are efficient in selling the labor. Consequences will be the complacency of being average and never fully utilizing the technician potential.

**FIXED OPERATIONS 2 – SERVICE**

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve?

For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.



SPECIFIC ACTION/ STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECK POINT DATES
Scheduled Lunch & Break Schedule For Techs based on Skill level	Excel/Whiteboard	Service Manager/ Shop Foreman	Will break up the "lunch gang" which will result in less deadtime waiting for the gang to all free to go to lunch	Start: 12/15/2023 Check In: 01/03/2024 End: 01/31/2024
Creation of individualized tech proficiency bonus based on a 3 month rolling average	Excel Calculation/ Daily Whiteboard Display and Update/	Service Manager	Increased proficiency on individual basis trying to achieve goal	Start: 12/15/2023 Check In: 01/31/2024 End: 03/30/2024
Making parts personnel responsible for delivering parts to technicians	Brightly colored Baskets/ slave printer/ parts personnel	parts manager /staff	Reduction of techs spending time at back parts counter allowing them to work more efficiently without stopping to grab parts	Start: 12/15/2023 Check In: 01/03/2024 End: 03/30/2024
At end of day evaluate and prioritize the incoming work for following day based on available resources	RO for next day for review	Technician	Reduces idle standby time while figuring out what will be the best job to complete. Quickly complete jobs because of organized process	Start: 12/15/2023 Check In: 01/03/2024 End: 03/30/2024

## SERVICE OPERATIONS HOMEWORK – ACTION PLAN

How will you track your progress? Where will you find the information? How often will you check in?

**S M A T**

Will track using proficiency calculator on a daily basis. We can also use time clock system to insure lunch schedule is followed as prescribed.

Potential Obstacles?

**A**

Parts department not complying  
Lack of financial motivation from tech  
Techs not utilizing new schedule

Potential Solutions?

**A**

Reduction of wait times for customer  
Increased proficiency which would give increase labor sales availability

**BOTTOM LINE!** What is the financial impact (expressed in dollars) of achieving your goal?

**S M R T**

If we increase our Overall Tech Proficiency from 62.92% to 80% that would allow us to add an additional \$113 k in sales

**CONGRATULATIONS!** You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

**S A**

We continue to do weekly proficiency calculations and review last year number for current month. Coach and monitor any tech who regress on Proficiency numbers.

## Synopsis

After reviewing results from the data input on our repair order analysis I discovered that we still had a high number of one line repair orders, poorly written stories, and multiple comebacks.

By making it mandatory for techs and writers to complete training this should decrease comebacks, improve repair order stories, and therefore increase gross.

The additional gross generated, along with increasing grid pricing to the local market and the money saved from comebacks, should lower policy work and also help cover the cost of outside training.

All of this combined should create a new culture, with happier techs, writers, and definitely upper management.

### Repair Order Analysis Summary Report

	Sales In Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 2,566 +	39.10 =	65.63	FRH Average
Maintenance	\$ 2,769 +	18.50 =	149.70	FRH Average
Repair	\$ 9,835 +	68.30 =	143.99	FRH Average
Totals	\$ 15,170 +	125.90 =	120.50	Customer ELR
		Target Labor Rate	135.85	Per FRH
Total ROs	100	Difference	-15.35	Per FRH

#### Cost of Labor

Total Cost of Labor	2641.30 +	Total Sales	=	17.41%	Percent Cost of Sales
Total Cost of Labor	2641.30 +	Total FRHs	=	20.98	Cost per FRH

#### Repair Order Measurements

Total Labor Sales	15,170.34 +	Total ROs	=	151.70	Avg Labor per RO
Total FRHs	125.90 +	Total ROs	=	1.26	Avg FRH's per RO
Menu Sales	+ Total ROs	=			Percent Menu Sales
Competitive FRHs	39.10 +	Total FRHs	=	31.06%	Percent Competitive
Maintenance FRHs	18.50 +	Total FRHs	=	14.69%	Percent Maintenance
Repair FRH	68.30 +	Total FRHs	=	54.25%	Percent Repair
One item ROs	83 +	Total ROs	=	83.00%	Percent One Item RO

#### Model Year Analysis

2024	2023	2022	2021	2020	2019	Older	Total
1	12	12	9	10	8	48	100
1.00%	12.00%	12.00%	9.00%	10.00%	8.00%	48.00%	

**Labor Mix**



Percent Competitive
  Percent Maintenance
  Percent Repair