

NADA Service Homework

HYUNDAI OF DALLAS

WARD JONES N432

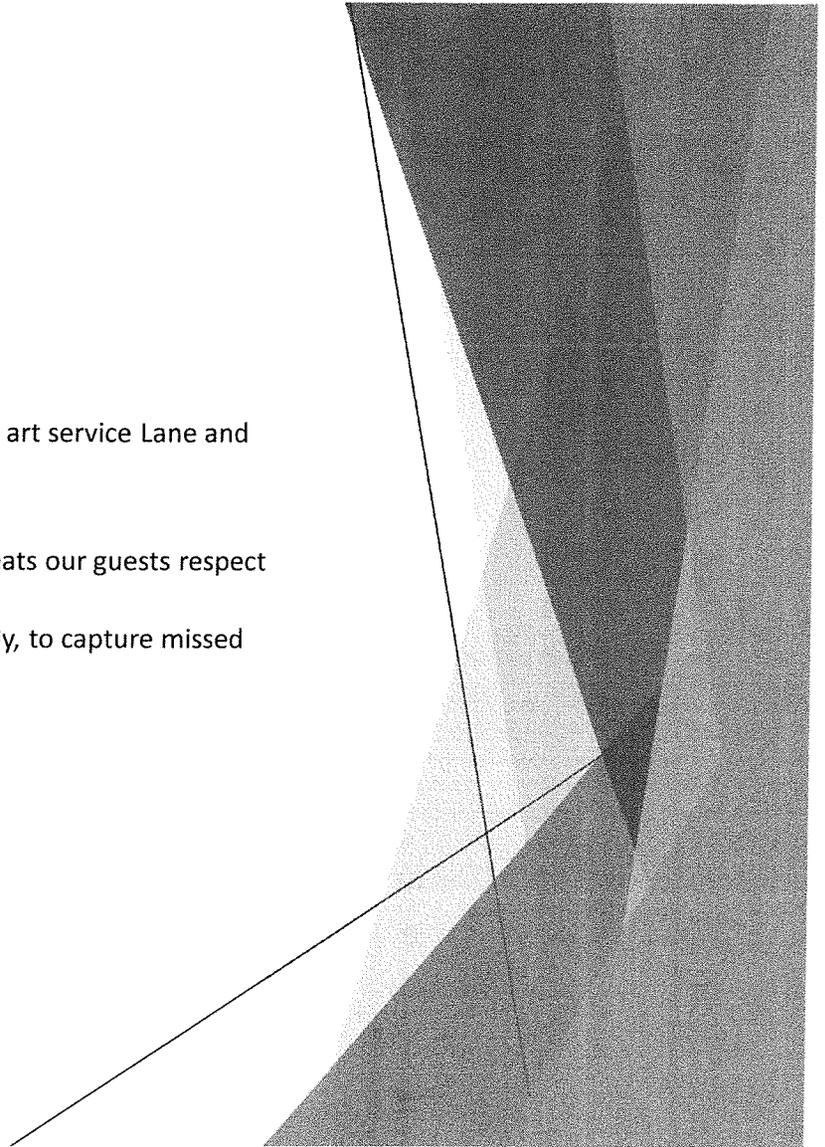
Marketing

We currently utilize direct mailer coupons and have a tv ad that showcases our state of the art service Lane and center.

Our goal is to increase the quality of service and create a comfortable environment that treats our guests respect and establishes relationships and NOT just transactions.

By using software(XTIME), we will send follow coupons to guests that declined work initially, to capture missed opportunity.

Weekly end of shift Team meeting to evaluate the progress of these actions.



Analyze Cost of Labor

We currently monitor daily flagged hours vs hourly techs, including upsells and hours per r/o.

Our goal is to maximize every opportunity by increasing sales per r/o.

We are installing 2 new lifts to quick service to increase productivity and potential hrs.

Weekly training on multi point walk arounds.

Service Department Sales And Gross (Labor Only)				
Category	Sales	Gross	Gross as % of Sales	% Sales Contribution
Customer Car	102,514	81,451	79.47%	42.0%
Customer			0%	0%
Customer Other			0%	0%
Warranty	56,971	47,130	82.70%	23.0%
Warranty Other			0%	0%
Internal	84,773	71,855	84.70%	35.0%
NVI / Road Ready			0%	0%
Adj. Cost Of Labor			0%	0%
Total	\$ 244,258	\$ 200,436	82.0%	0%

Changes in Expense Structure

Every dept head attends Asset Meeting with GM and Comptroller.

Review current vendors and products in an effort to lower expenses.

Make sure we address and establish solutions from Asset Meetings geared to lower and offset certain expenses.

Manager meetings to ensure we have productive strategies to enhance our financial position.

Service Department Profit Centering		
Expense Category	Dollar Amount	% of Gross
Department Gross	\$ 217,684	-
Variable Expense	35,101	16% -16%
Selling Expense		0.00%
Personnel Expense	65,098	30% -30%
Semi-Fixed Expense	67,719	31% -31.1%
Fixed Expense	24,930	11% -11%
Unallocated Expense		0.00%
Dealer's Salary		0.00%
Total Expenses	\$ 192,848	88% -85.5%
Net Profit	\$ 24,836	11%

Repair order analysis

More complete walkarounds on service drive, will increase upsells.

We will continue to train on how to sell “K” services at the proper intervals to increase hours per r/o

Also, utilizing media in the shop to create better visuals for customer repairs.

	Sales in Dollars	FRH's on RO's	Averages	Analysis			
Competitive	\$ 1,827	14.92	122.46	FRH Average			
Maintenance	\$ 9,386	70.32	133.48	FRH Average			
Repair	\$ 38,027	205.91	184.68	FRH Average			
Totals	\$ 49,241	291.15	169.13	Customer ELR			
		Target Labor Rate		Per FRH			
Total Ro's in Sample	0	Difference	169.13	Per FRH			
Cost of Labor							
Total Cost of Labor	7512.16	Total Sales	15.26%	Percent Cost of Sales			
Total Cost of Labor	7512.16	Total FRHs	25.80	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	49,240.94	Total ROs		Avg Labor per RO			
Total FRHs	291.15	Total ROs		Avg FRH's per RO			
Menu Sales		Total ROs		Percent Menu Sales			
Competitive FRHs	14.92	Total FRHs	5.12%	Percent Competitive			
Maintenance FRHs	70.32	Total FRHs	24.15%	Percent Maintenance			
Repair FRH	205.91	Total FRHs	70.72%	Percent Repair			
One item ROs	39	Total ROs		Percent One Item RO			
Model Year Analysis							
2025	2024	2023	2022	2021	2020	Older	Total
0	1	10	9	7	12	61	100
0.00%	1.00%	10.00%	9.00%	7.00%	12.00%	61.00%	

$$CP - 1110,902 \div 139.01 = 797$$

$$Warr. = 45,484 \div 173.34 = 262.40$$

$$Int. = 78,325 \div 159.95 = 495$$

$$234,711$$

Productivity

We are currently utilizing every bay and trying to maximize every r/o.

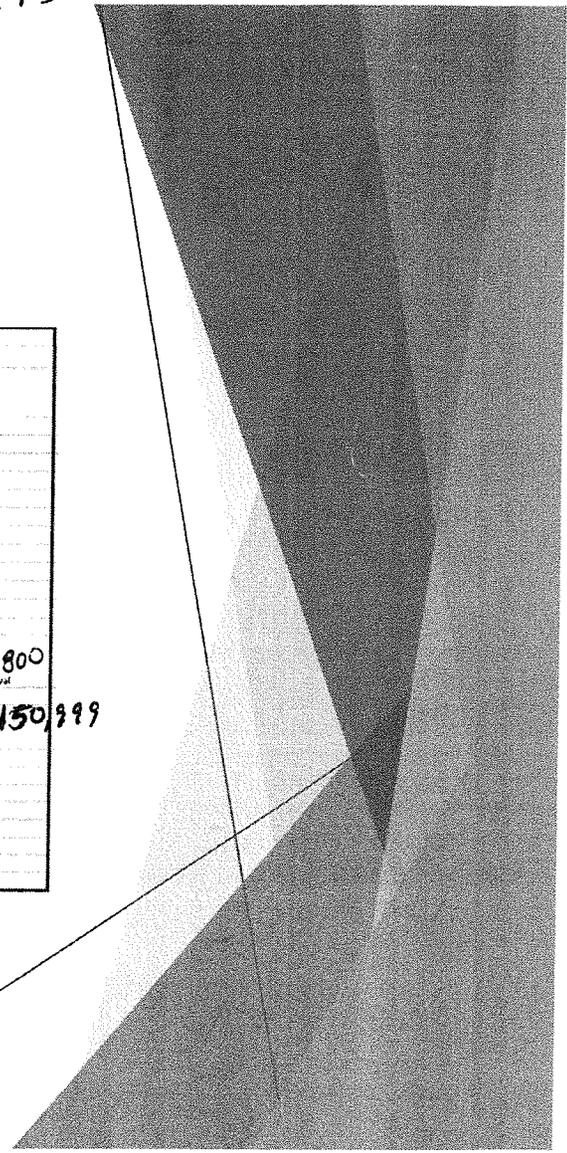
We would like to increase our hours per month and proficiency of the shop.

By adding 4 new lifts and adding to our mainline tech staff, production should increase.

Using a production spreadsheet to identify room for improvement, will help evaluate.

NADA ACTUAL SERVICE ANALYSIS			
Performance			
	Labor Sales / Month	Effective Labor Rate	Hours Billed
Customer Car*	110,902	139.01	797.00
Customer Truck*	-	-	0.00
Customer Other*	-	-	0.00
Warranty	45,484	173.34	262.40
Internal	78,325	157.95	495.00
New Vehicle Prep	-	-	0.00
Total	234,711		1554.40

POTENTIAL			
Total labor sales for month	234,711	Total hours billed	1554.40
		Effective Labor Rate	150.99
# Service mechanical technicians	4	# Hours per day for one tech	8
		Working Days/Month	25
Clock Hours Available	800	Labor sales potential @ 125%	150,999
		Effective Labor Rate	190
		Hours Available	190



Facility

Currently we are utilizing 11 bays with 9 Techs.

We are actively training 2 lube techs to become C level main line techs, in effort to be more proficient and skilled.

We are adding 4 new lifts and will utilize 1 of the new bays for quick service and used cars.

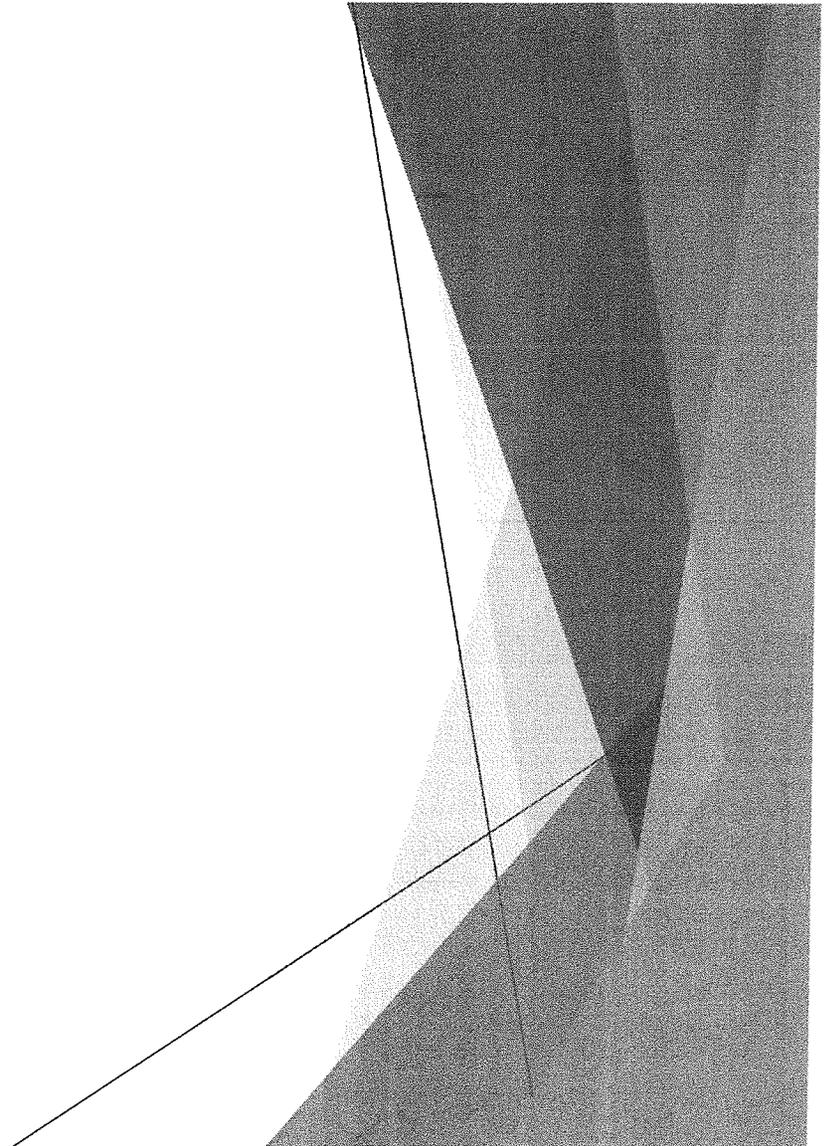
Evaluate our weekend production and how efficient we can get work in and out the shop with the new equipment and added tech help.

FACILITY POTENTIAL	
Number of Bays	11
	x
Number of Days	25
	x
Number of Hours	410
	x
Effective Labor Rate	\$0.00 159
FACILITY POTENTIAL	1415,250

FACILITY UTILIZATION	
Total Labor Sales	\$ 234,711
	-
Facility Potential	415,250
FACILITY UTILIZATION	56.5 %

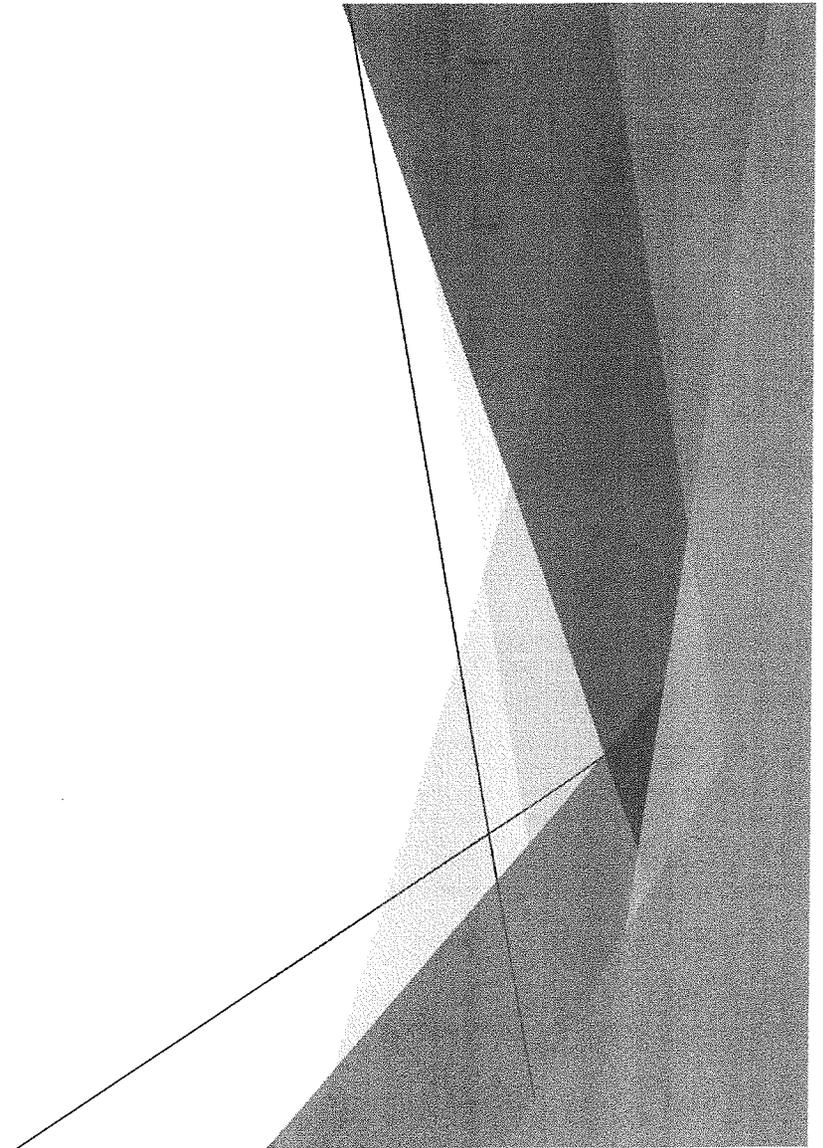
SWOT Analysis

- ▶ Strengths
- ▶ 11 functional bays(adding 4 more)
- ▶ Full A/C & Heating in shop and covered Service Drive
- ▶ State of the Art Facility



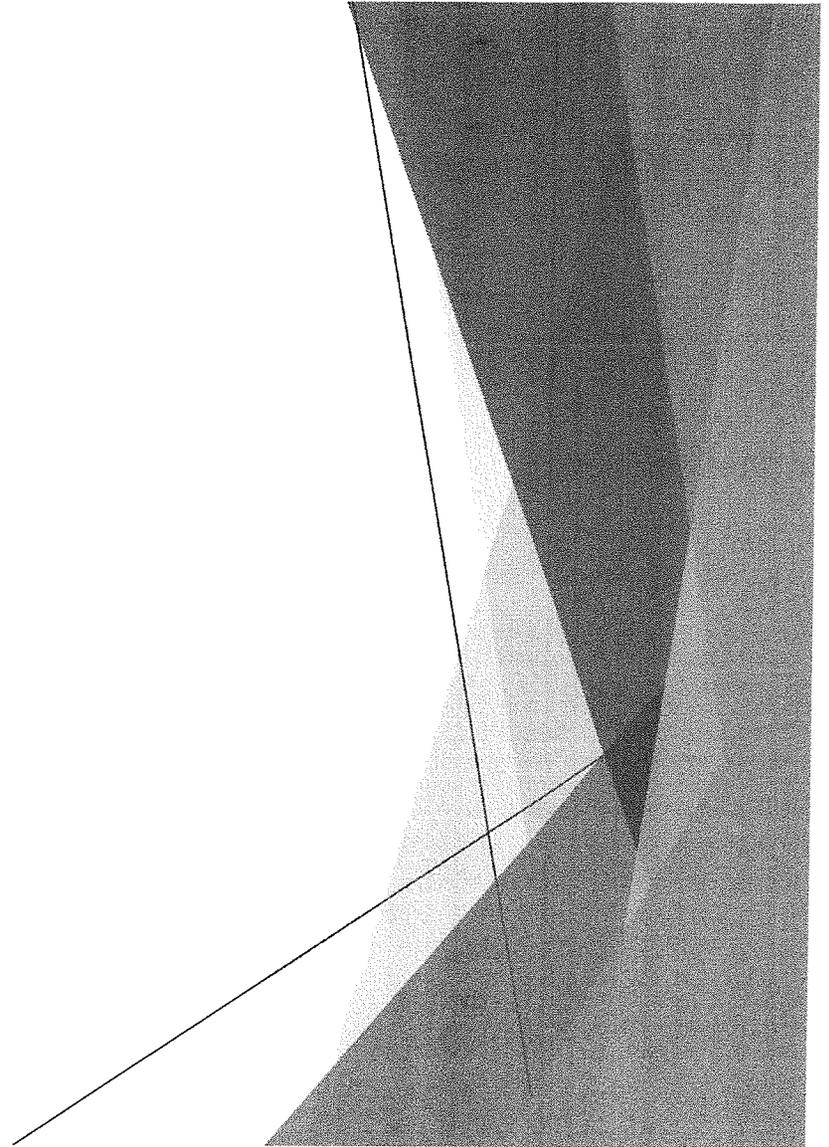
SWOT Analysis

- ▶ Weaknesses
- ▶ Shortage of experienced techs and service writers.
- ▶ C/P hours per r/o
- ▶ Overall Sales Mentality



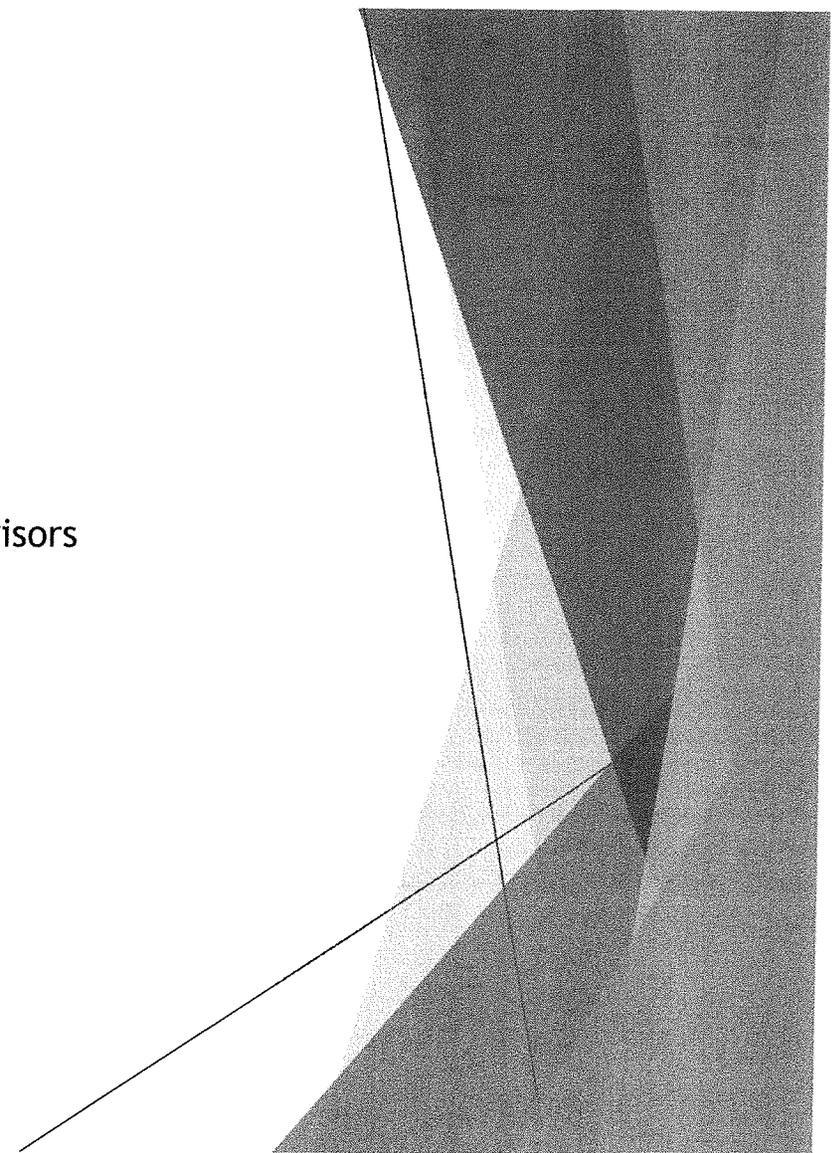
SWOT Analysis

- ▶ Opportunities
- ▶ Create a Technician Apprenticeship with local high schools.
- ▶ Utilize service lane technology
- ▶ Upsell 1 filter & 1 flush on every ticket when available.



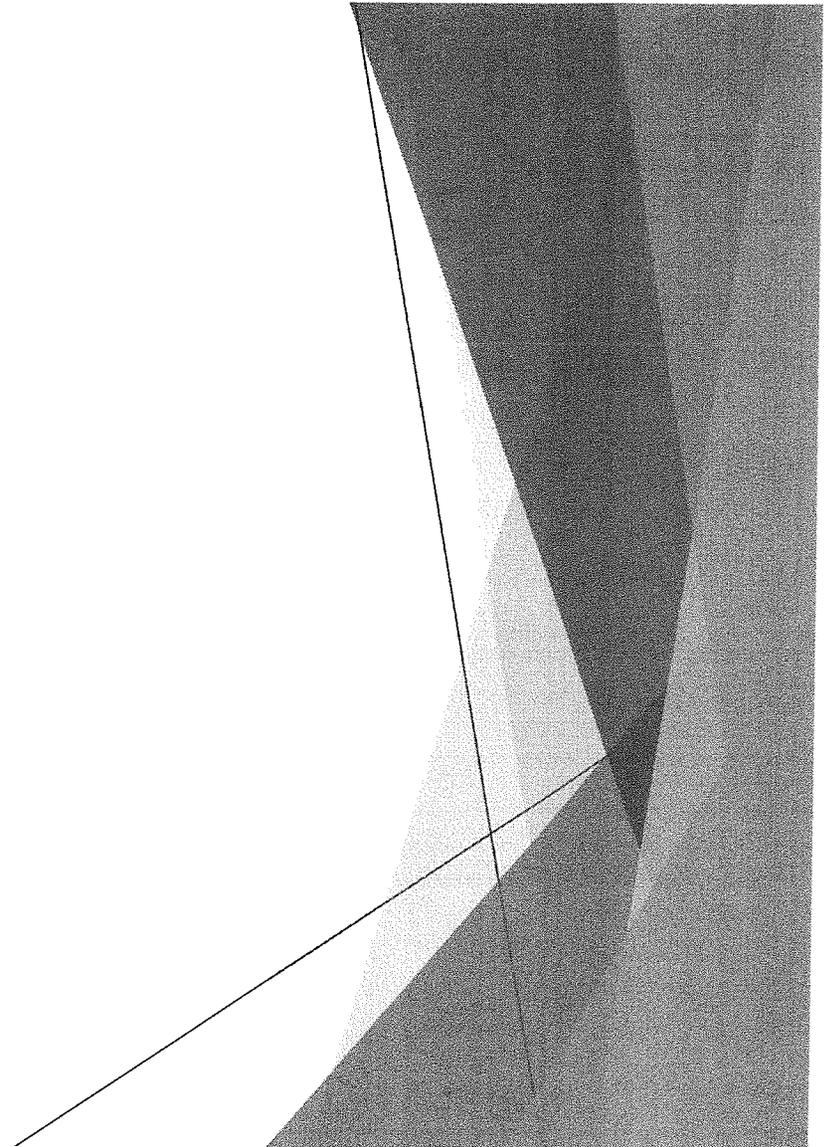
SWOT Analysis

- ▶ Threats
- ▶ Losing business to local independents
- ▶ Being non-competitive on pay and work hours for techs/advisors
- ▶ Staying within guide and CSI standards of Manufacture



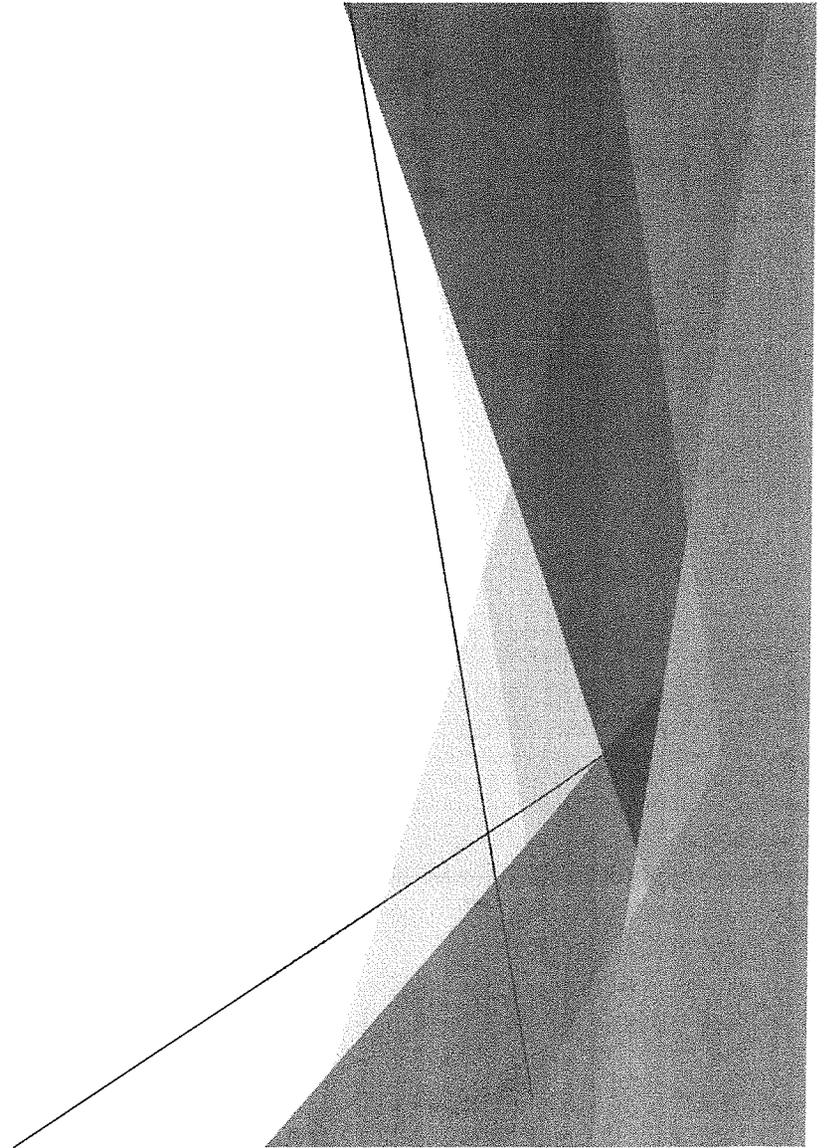
SWOT Analysis

- ▶ Objectives
- ▶ Improvement with Tech morale
- ▶ Limit discounts on service drive
- ▶ Improve overall productivity and proficiency



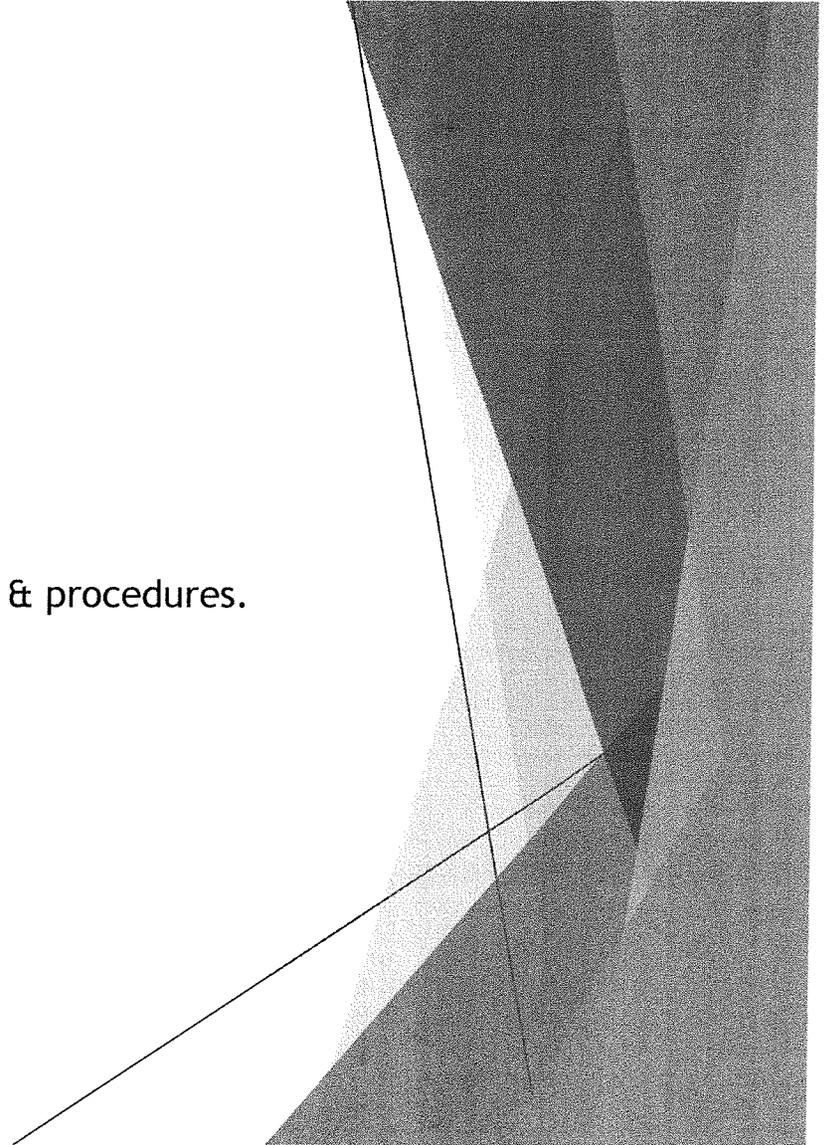
SWOT Analysis

- ▶ Strategies
- ▶ Sales training & menu selling on the drive.
- ▶ Establish better communication between advisors and shop.
- ▶ MPI walk around by video by every Tech.



SWOT Analysis

- ▶ Tactics
- ▶ Inspect what you expect
- ▶ Service Manager has to approve any discounts.
- ▶ Managers meeting to stay focused and consistent on process & procedures.



SWOT Analysis

► Action Plan

TASK	Position responsible	Check in/completion schedule
Midweek meeting	Service Director	Feb 1
Competitive pricing grid	Service Manager	Feb 1
Declined work follow up	Service Director	Weekly
X TIME VIDEO WALK AROUND	TECHS	DAILY

Homework Synopsis

- ▶ Synopsis
- ▶ With improvement in Service Department from previous staff, we would like to continue to build and create a desired work environment and destination for top level techs and advisors. With consistent training and investing into our team, we can generate substantial improvement.

