



Repair Order Analysis and Summary

1/31/2024

BGC PENSACOLA
Dealership

ABBY WELLS
Student

N432
Class #

MARKETING

Currently our marketing practices consist of offering discounts on menu items to current customers through email and mail blasts.

Goal: Increase Auto Service Sales by 15% within the next quarter through the implementation of targeted customer engagement strategies, streamlined service processes, and the introduction of value-added packages to enhance customer satisfaction and loyalty.

****Action Plan to Increase Auto Service Sales by 15% in the Next Quarter:****

1. **Customer Engagement Strategies:**

- a. Implement a customer feedback system to gather insights on their experience.**
- b. Develop personalized marketing campaigns based on customer preferences and past service history.**
- c. Utilize social media platforms to engage with customers, share promotions, and address inquiries.**

2. **Streamlined Service Processes:**

- a. Conduct a thorough analysis of current service processes to identify bottlenecks and inefficiencies.**
- b. Implement a streamlined appointment scheduling system to reduce wait times and enhance customer convenience.**
- c. Provide staff training on efficient service delivery and customer communication.**

3. **Value-Added Packages:**

- a. Introduce comprehensive service packages that include routine maintenance, inspections, and discounts on additional services.**
- b. Create loyalty programs to reward repeat customers with exclusive discounts, perks, or priority service.**

c. Collaborate with suppliers to negotiate bulk purchase discounts for parts and materials, allowing for more competitive package pricing.

4. ** Enhanced Customer Satisfaction and Loyalty:**

a. Develop a customer loyalty survey to identify areas for improvement and gauge satisfaction levels.

b. Implement a follow-up system to gather post-service feedback and address any concerns promptly.

c. Launch a referral program offering incentives to customers who refer new business, encouraging word-of-mouth marketing.

5. ** Marketing and Promotion:**

a. Develop a targeted marketing campaign to promote the new value-added packages and streamlined service processes.

b. Utilize digital marketing channels, such as email newsletters and social media, to highlight promotions and service benefits.

c. Collaborate with local businesses for joint promotions, increasing visibility within the community.

EVALUATE CHANGE .

6. ** Performance Monitoring and Adjustment:**

a. Implement key performance indicators (KPIs) to track sales, customer satisfaction, and service efficiency.

b. Regularly review and analyze data to identify successful strategies and areas for improvement.

c. Adjust the plan as needed based on performance metrics, customer feedback, and market trends.

7 ** Employee Incentives:**

a. Introduce performance-based incentives for service staff to encourage upselling and exceptional customer service.

b. Provide ongoing training to keep employees updated on new service offerings and customer engagement techniques.

c. Foster a positive and collaborative work environment to enhance employee morale and commitment to customer satisfaction.

By implementing these strategies, the auto service center aims to achieve a 15% increase in sales within the next quarter while simultaneously enhancing customer satisfaction and loyalty. Regular monitoring and adjustments will ensure the effectiveness of the plan.

Service Department Sales And Gross (Labor Only)

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 149,253	\$ 121,416	81.35%	51.99%
Customer	\$ 2,703	\$ 2,042	75.55%	0.94%
Customer Other	\$ 48,574	\$ 35,939	73.99%	16.92%
Warranty	\$ 62,561	\$ 51,211	81.86%	21.79%
Warranty Other			0%	0.00%
Internal	\$ 23,988	\$ 19,015	79.27%	8.36%
NVI / Road Ready			0%	0%
Adj. Cost Of Labor			0%	0.00%
Total	\$ 287,079	\$ 229,623	79.99%	100.00%

Service Department Sales And Gross (Labor Only)

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Pay	\$ 168,574	\$ 135,535	80.40%	56.97%
Customer	\$ 3,099	\$ 2,443	78.83%	1.05%
Customer Other	\$ 54,595	\$ 40,703	74.55%	18.45%
Warranty	\$ 55,501	\$ 45,924	82.74%	18.76%
Warranty Other			0%	0.00%
Internal	\$ 14,153	\$ 11,119	78.56%	4.78%
NVI / Road Ready/ PDI			0%	0.00%
Adj. Cost Of Labor			0%	0.00%
Total	\$ 295,922	\$ 235,724	79.66%	100.00%

Clear Form

The Picture	
Customer Pay Gross Profit %	78.97%
Total Service Dept. G.P. %	79.66%

ANALYZE COST OF LABOR

- Currently we pay our techs on an hour basis depending on experience.
- Only changes That may be is not paying for hours to an A tech when performing D and C tech work.
- Goal: Achieve a 10% Reduction in Cost of labor within the next fiscal year by implementing efficiency measures workforce training and process optimization.
- **Short Plan to Achieve a 10% Reduction in Automotive Cost of Labor:**
 - 1. * Efficiency Measures:**
 - Conduct a comprehensive analysis of current workflows to identify inefficiencies.
 - Implement time-management strategies to reduce idle time and enhance productivity.
 - Invest in advanced diagnostic tools to streamline troubleshooting and repair processes.
 - 2. **Workforce Training:**
 - Develop a training program to keep technicians updated on the latest automotive technologies.
 - Introduce cross-training initiatives to create a versatile workforce.
 - Provide ongoing skill development opportunities to enhance overall proficiency.
 - 3. **Process Optimization:**
 - Conduct a thorough review of existing processes to identify bottlenecks and areas for improvement.
 - Implement lean manufacturing principles to streamline operations and reduce waste.
 - Integrate digital scheduling tools to optimize service workflow and minimize downtime.
 - 4. **Resource Allocation:**
 - Optimize labor resource allocation based on demand fluctuations.
 - Explore flexible scheduling options to adapt to varying workloads and reduce idle time.

- **5. **Supplier Negotiations:****
 - - Engage in negotiations with suppliers to secure favorable pricing for automotive parts and materials.
 - - Establish strategic partnerships to gain access to discounts and bulk purchase options.
- **6. **Performance Monitoring and KPIs:****
 - - Implement key performance indicators (KPIs) to monitor labor costs and efficiency metrics.
 - - Regularly review and analyze KPI data to identify trends and areas for improvement.
- **7. **Technological Integration:****
 - - Invest in automotive management software to automate administrative tasks.
 - - Explore AI and machine learning to predict maintenance needs and reduce labor-intensive repairs.
- **8. **Employee Engagement:****
 - - Foster a culture of continuous improvement and innovation among the workforce.
 - - Recognize and reward employees for innovative solutions that lead to cost savings.
- **9. **Customer Communication:****
 - - Implement transparent communication with customers regarding labor costs.
 - - Provide detailed estimates and explanations for recommended services.
 - - Educate customers on preventative maintenance measures to reduce the likelihood of costly repairs.
- **10. **Regular Review and Adjustment:****
 - - Conduct regular reviews of the effectiveness of implemented strategies.
 - - Make adjustments as needed to ensure continuous improvement in automotive cost of labor.
- **By executing this short plan, the automotive service center aims to achieve a 10% reduction in labor costs within the next fiscal year while maintaining service quality and customer satisfaction. Regular**

monitoring and adjustment will be crucial to the success of this cost reduction initiative.

**** Evaluation Plan for Achieving a 10% Reduction in Automotive Cost of Labor:****

1. ** Define Key Performance Indicators (KPIs):**

- Identify specific KPIs related to labor costs, efficiency, and overall productivity.

- Examples include average labor cost per repair, technician productivity rates, and the percentage reduction in overall labor expenses.

2. ** Baseline Assessment:**

- Conduct a baseline assessment of current labor costs and operational efficiency.

- Gather data on current processes, workforce productivity, and cost breakdowns to establish a starting point for evaluation.

EVALUATE CHANGES-

3. ** Regular Monitoring:**

- Implement a regular monitoring system to track progress against the defined KPIs.

- Set up a schedule for periodic reviews to ensure ongoing assessment of the effectiveness of implemented changes.

4. ** Employee Feedback and Surveys:**

- Gather feedback from employees involved in the changes to understand their perspectives on the effectiveness of the implemented measures.

- Conduct surveys to collect insights on the impact of workforce training and process optimization from the technicians and staff.

5. ** Customer Satisfaction Surveys:**

- Include questions related to service quality and customer experience in regular customer satisfaction surveys.

- Evaluate whether changes have positively or negatively influenced customer perceptions of service quality and overall satisfaction.

6. **Financial Analysis:**

- Regularly analyze financial statements to assess the impact of changes on overall labor costs.

- Compare actual expenses against budgeted figures and identify areas where cost savings have been achieved.

7. **Efficiency Metrics:**

- Evaluate efficiency metrics such as turnaround time for repairs and service completion rates.

- Assess whether efficiency measures and process optimizations have resulted in quicker turnaround times and improved service completion rates.

8. **Training Program Assessment:**

- Assess the effectiveness of workforce training programs by evaluating the skill enhancement and adaptability of technicians.

- Gather feedback on training content, delivery, and its impact on daily operations.

9. **Adjustment and Iteration:**

- Based on the evaluation results, identify areas that require further improvement or adjustment.

- Develop plans for ongoing iterations and adjustments to ensure continuous optimization.

10. **Documentation and Reporting:**

- Maintain detailed documentation of evaluation findings, changes made, and the impact observed.

- Generate comprehensive reports for stakeholders, summarizing the progress and outcomes of the implemented measures.

By executing this evaluation plan, the automotive service center can systematically assess the success of the implemented changes in achieving the goal of a 10% reduction in automotive cost of labor. Regular feedback and adjustments will be essential for sustained improvement and long-term success.

Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 235,724		
Variable Expense		0.00%	
Selling Expense		0.00%	
Personnel Expense	\$ 189,839	80.53%	
Semi-Fixed Expense	\$ 107,127	45.45%	
Fixed Expense	\$ 48,259	20.47%	
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	\$ 345,225	146.45%	
Net Profit	\$ (109,501)	-46.45%	

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The Picture

Customer Pay Gross Profit %

78.97%

Total Service Dept. G.P. %

79.66%

Notes: (1) Labor Data / Cost Data Only

4/11/11

Fairs / Labor Rate (Cust. Pay Only)

1.11

Total Service Dept. Expenses

\$ 345,225

CHANGES IN EXPENSE STRUCTURE

CURRENT PRACTICE. WE ARE NOT SELLING THE ALL THE HOURS AVAILABLE NOR ARE OUR EXPENSES IN LINE.

Goal: Increase Automotive Technician Hours Sold Efficiency from 64% to 76% within the next six months Goal: Increase Automotive Technician Hours Sold Efficiency from 64% to 76% within the next six months through the implementation of targeted strategies and process improvements.

Action Plan:

**** Performance Analysis:****

Conduct a thorough analysis of current performance metrics and identify specific areas where efficiency can be improved. Evaluate the factors contributing to the existing 64% efficiency, including technician productivity, workflow bottlenecks, and time management.

**** Training and Skill Enhancement:****

Provide additional training to automotive technicians to enhance their skills and proficiency in diagnosing and resolving issues. Invest in continuous education programs to keep technicians updated on the latest automotive technologies and repair techniques, ensuring they can work more efficiently.

**** Workflow Optimization:****

Review and streamline the workflow processes within the automotive service department. Identify and eliminate any unnecessary steps or delays that may hinder the efficient completion of tasks. Implement a systematic approach to service delivery to reduce downtime and increase technician productivity.

**** Technology Integration:****

Integrate advanced diagnostic tools and technology solutions to expedite the troubleshooting and repair process. Invest in software that improves

communication between technicians, service advisors, and other relevant departments, minimizing delays and enhancing overall efficiency.

**** Workload Distribution:****

Evaluate the workload distribution among technicians to ensure a balanced and optimized schedule. Use a data-driven approach to assign tasks based on each technician's strengths and expertise, avoiding overloading individuals and promoting a more equitable distribution of work.

**** Incentive Programs:****

Implement incentive programs to motivate technicians to meet and exceed efficiency targets. Recognize and reward high-performing individuals, fostering a culture of continuous improvement and accountability.

**** Regular Performance Reviews:****

Conduct regular performance reviews to monitor the progress of efficiency improvement initiatives. Gather feedback from technicians and other staff members to identify any challenges or obstacles hindering progress and make necessary adjustments to the action plan.

**** Customer Communication and Expectation Management:****

Enhance communication with customers to manage expectations regarding repair timelines and potential delays. Transparent and clear communication helps build trust and satisfaction, even in cases where repairs may take longer than expected.

**** Benchmarking and Best Practices:****

Research and benchmark against industry best practices to identify successful strategies employed by other automotive service centers. Implement proven methods that align with the specific needs and characteristics of your service department.

EVALUATE CHANGES-

**** Continuous Monitoring and Adaptation:****

Establish a system for continuous monitoring of efficiency metrics and adapt the action plan as needed. Regularly review the implemented strategies, identify areas for improvement, and make necessary adjustments to maintain progress toward the 76% efficiency goal.

By systematically addressing these key areas, the automotive service department can work towards achieving the targeted efficiency improvement over the specified timeframe. Regular monitoring and adaptability will be crucial to ensuring sustained success. onths through the implementation of targeted strategies and process improvements.

NADA ACTUAL SERVICE ANALYSIS

Performance

	Labor Sales / Month	Effective Labor Rate	Hours Billed
Customer Car*	\$ 149,253	127.88	1167.1
Customer Truck*	\$ 2,703	127.88	21.1
Customer Other*	\$ 48,574	127.88	379.8
Warranty	\$ 62,561	157.15	398.1
Internal	\$ 23,988	142.37	168.5
New Vehicle Prep			0.00
Total	\$ 287,079		2134.7

POTENTIAL

\$ 287,079	÷	2134.70	=	\$ 134.48
Total labor sales for month		Total hours billed		Effective Labor Rate
18.00	÷	8	×	24
# Service mechanical technicians		# Hours per day for one tech		Working Days/Month
3,456.0	×	\$ 134.48	=	\$ 464,771
Clock Hours Available		Effective Labor Rate		Labor sales potential @100%

How proficient are your technicians ?

2,134.7	÷	3,456.00	=	61.77%
Hours Billed		Hours Available		Tech Proficiency

PRODUCTIVITY

WE CURRENTLY HAVE 7.53 NON-PRODUCTIVE TECHS BASED ON AVAILABLE HOURS VS HOURS BILLED.

Goal: Reduce Non-Productive Automotive Technicians from 7.53 to 5 or lower within the next three months through targeted initiatives and process improvements.

Action Plan:

1. **Non-Productive Time Analysis:**

Conduct a detailed analysis of non-productive time among automotive technicians. Identify the specific activities or factors contributing to non-productivity, such as downtime, waiting for parts, or administrative tasks.

2. **Workload Distribution Review:**

Evaluate the workload distribution and scheduling practices. Ensure that work assignments are balanced and optimized to minimize idle time for technicians. Consider implementing a more efficient system for task prioritization and assignment.

3. **Process Streamlining:**

Streamline internal processes to reduce delays and improve the flow of work. Identify and eliminate bottlenecks in the workflow that contribute to non-productive time. Implement clear and efficient procedures for handling tasks from intake to completion.

4. **Technician Training:**

Provide additional training to technicians to enhance their skills and proficiency. Well-trained technicians are more equipped to handle a variety of tasks, reducing the likelihood of non-productive time.

5. **Enhanced Communication:**

Improve communication channels between technicians, service advisors, and other relevant staff members. Clear communication helps in promptly addressing issues, obtaining necessary approvals, and minimizing downtime.

6. **Inventory Management:**

Implement an efficient inventory management system to reduce wait times for parts and ensure that necessary supplies are readily available. Minimizing delays related to parts procurement can significantly decrease non-productive time.

7. **Performance Monitoring:**

Establish key performance indicators (KPIs) to monitor and measure technician productivity. Regularly review these metrics to identify patterns and areas for improvement, adjusting strategies accordingly.

8. **Technician Scheduling Optimization:**

Optimize technician schedules to align with peak service demand. Ensure that staffing levels are appropriate to handle the workload efficiently, preventing idle time during slower periods.

9. **Task Prioritization System:**

Implement a task prioritization system to ensure that high-priority and time-sensitive tasks are addressed promptly. This helps in minimizing non-productive time associated with delays in critical repairs.

10. **Incentive Programs:**

Introduce performance-based incentive programs to motivate technicians and reward them for achieving productivity goals. Recognition and rewards can encourage a sense of ownership and responsibility in minimizing non-productive time.

EVALUATE CHANGES-

11. **Regular Performance Reviews:**

Conduct regular performance reviews with technicians to discuss areas of improvement and provide constructive feedback. Use these reviews as an opportunity to address any challenges or obstacles hindering productivity.

12. **Employee Engagement Initiatives:**

Implement initiatives to enhance employee engagement and job satisfaction. A motivated and engaged workforce is more likely to be proactive in minimizing non-productive time.

13. **Continuous Improvement Culture:**

Foster a culture of continuous improvement within the automotive service department. Encourage technicians to actively participate in identifying opportunities for improvement and implementing changes to enhance overall efficiency.

14. **Feedback Mechanism:**

Establish a feedback mechanism where technicians can provide insights into the factors contributing to non-productive time. Use this feedback to make informed adjustments to processes and procedures.

By systematically addressing these areas, the goal of reducing non-productive automotive technicians can be achieved, leading to a more efficient and productive service department. Regular monitoring and adaptation of strategies will be essential for sustained success.

FACILITY POTENTIAL

Number of Bays

Number of Days

Number of Hours

Effective Labor Rate \$

FACILITY POTENTIAL \$

Clock Hour Avail

Labor sales
potential @
125%

FACILITY UTILIZATION

Total Labor Sales \$

Facility Potential \$

FACILITY UTILIZATION equals

--

FACILITY POTENTIAL

32

X

24

X

8

X

\$ 133.18

equals

\$ 818,262

Number of Bays

Number of Days

Number of Hours

Effective Labor Rate

FACILITY POTENTIAL

FACILITY UTILIZATION

\$ 295,922

÷

\$ 818,262

equals

Total Labor Sales

Facility Potential

FACILITY UTILIZATION

36.16%

Clear Form

FACILITY

CURRENTLY OUR FACILITY IS OPERATING AT A FRACTION OF ITS POTENTIAL. LABOR SALES ARE AT 295922 BUT HAVE A POTENTIAL OF 818262.

GOAL - Achieve a significant increase in automotive shop potential by strategically optimizing operations and implementing targeted business development initiatives, with the ultimate aim of elevating total current labor sales to a robust \$818,262.

Goal Statement:

Achieve a significant increase in automotive shop potential by strategically optimizing operations and implementing targeted business development initiatives, with the ultimate aim of elevating total current labor sales to a robust \$818,262.

Action Plan:

1. **Operational Efficiency Enhancement:**

- Conduct a comprehensive analysis of current workflow processes within the automotive shop.**
- Identify bottlenecks and inefficiencies, and implement streamlined procedures to maximize productivity.**
- Invest in training programs to enhance the skills of the workforce, ensuring proficiency in the latest automotive technologies and repair methods.**

2. **Customer Experience Enhancement:**

- Implement customer satisfaction surveys to identify areas for improvement.**
- Enhance customer service and communication strategies to build trust and loyalty.**
- Establish a customer referral program to incentivize existing clients to bring in new business.**

3. **Marketing and Branding Strategies:**

- **Develop a robust online presence through a user-friendly website and active social media engagement.**
- **Implement targeted digital marketing campaigns to reach potential customers in the local area.**
- **Utilize promotions, discounts, and loyalty programs to attract and retain customers.**

4. **Strategic Partnerships:**

- **Explore partnerships with local businesses, such as car dealerships or auto parts suppliers, to expand the customer base.**
- **Collaborate with insurance companies to become a preferred service provider, increasing the flow of repair work.**

5. **Diversification of Services:**

- **Evaluate the market demand for additional services such as maintenance packages, detailing, or specialty repairs.**
- **Introduce new services based on customer needs and preferences.**

6. **Technology Integration:**

- **Invest in automotive diagnostic tools and software to improve accuracy and speed of repairs.**
- **Implement a customer relationship management (CRM) system to better manage customer interactions and preferences.**

7. **Employee Incentive Programs:**

- **Develop incentive programs for employees tied to performance and customer satisfaction metrics.**
- **Foster a positive and collaborative workplace culture to enhance employee retention and motivation.**

8. ** Financial Management:**

- Regularly review and adjust pricing strategies to remain competitive while ensuring profitability.
- Implement effective cost management practices to optimize resources and increase overall profit margins.

EVALUATE CHANGES.

9. ** Data Analysis and Reporting:**

- Implement a data analytics system to track key performance indicators (KPIs) and measure progress towards the \$818,262 goal.
- Regularly review and adjust strategies based on data insights.

10. ** Continuous Monitoring and Adaptation:**

- Establish a regular review process to assess the effectiveness of implemented strategies.
- Adapt and refine the action plan based on changing market conditions and customer feedback.

By systematically addressing these key areas, the automotive shop can work towards realizing its full potential and achieving the target labor sales of \$818,262. Regular monitoring, adaptation, and a commitment to continuous improvement will be crucial for success.

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 3,328	41.60	80.01	FRH Average
Maintenance	\$ 6,329	43.70	144.83	FRH Average
Repair	\$ 7,088	45.30	156.47	FRH Average
Totals	\$ 16,746	130.60	128.22	Customer ELR
		Target Labor Rate	159.15	Per FRH
Total RO's in Sample	100	Difference	-30.93	Per FRH

Cost of Labor

Total Cost of Labor	3292.28	Total Sales	=	19.66%	Percent Cost of Sales
Total Cost of Labor	3292.28	Total FRHs	=	25.21	Cost per FRH

Repair Order Measurements

Total Labor Sales	16,745.67	Total ROs	=		Avg Labor per RO
Total FRHs	130.60	Total ROs	=		Avg FRH's per RO
Menu Sales		Total ROs	=		Percent Menu Sales
Competitive FRHs	41.60	Total FRHs	=	31.85%	Percent Competitive
Maintenance FRHs	43.70	Total FRHs	=	33.46%	Percent Maintenance
Repair FRH	45.30	Total FRHs	=	34.69%	Percent Repair
One item ROs	66	Total ROs	=	100.00%	Percent One Item RO

Model Year Analysis

	2025	2024	2023	2022	2021	2020	Older	Total
	0	0	1	5	13	17	64	
	0.00%	0.00%	1.00%	5.00%	13.00%	17.00%	64.00%	100

- * Need to Service Vendors increase hours sold
- * work on other brands
- * will look into why we are so far off

Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross
Department Gross	\$ 229,623	0.00%
Variable Expense		0.00%
Selling Expense		0.00%
Personnel Expense	\$ 210,041	91.47%
Semi-Fixed Expense	\$ 155,526	67.73%
Fixed Expense	\$ 34,952	15.22%
Unallocated Expense		0.00%
Dealer's Salary		0.00%
Total Expenses	\$ 400,519	174.42%
Net Profit	\$ (170,896)	-74.42%

SERVICE INVENTORY ANALYSIS

	<i>Labor Sales / Month</i>		<i>Effective Labor Rates</i>		<i>Hours Billed</i>
Customer Pay	\$ 168,574	÷	127.88	=	1318.2
Customer	\$ 3,099	÷	127.88	=	24.2
Customer Other	\$ 54,595	÷	127.88	=	426.9
Warranty	\$ 55,501	÷	157.15	=	353.2
Internal	\$ 14,153	÷	142.37	=	99.4
New Vehicle Prep	\$	÷	=	=	0.00
Total	\$ 295,922				2222.0

POTENTIAL

$$\begin{array}{r}
 \boxed{\$ 295,922} \div \boxed{2221.96} = \boxed{\$ 133.18} \\
 \text{Total labor sales for month} \quad \quad \quad \text{Total hours billed} \quad \quad \quad \text{Effective Labor Rate}
 \end{array}$$

$$\begin{array}{r}
 \boxed{18.00} \times \boxed{8} \times \boxed{24.0} = \boxed{3,456.0} \\
 \text{\# Service mechanical technicians} \quad \quad \quad \text{\# Hours/Day} \quad \quad \quad \text{Working Days/Month} \quad \quad \quad \text{Hours Available to Sell}
 \end{array}$$

$$\begin{array}{r}
 \boxed{3,456.0} \times \boxed{\$ 133.18} = \boxed{\$ 460,272} \quad \quad \quad \boxed{\$ 575,340.35} \\
 \text{Hours Available to Sell} \quad \quad \quad \text{Effective Labor Rate} \quad \quad \quad \text{Labor sales potential @100\%} \quad \quad \quad \text{Labor sales potential @ 125\%}
 \end{array}$$

How proficient are your technicians ?

$$\begin{array}{r}
 \boxed{2,222.0} \div \boxed{3,456.00} = \boxed{64.29\%} \\
 \text{Total Hours Billed} \quad \quad \quad \text{Hours Available to Sell} \quad \quad \quad \text{Tech Proficiency}
 \end{array}$$

CHANGES IN EXPENSE STRUCTURE

CURRENT PRACTICE. WE ARE NOT SELLING THE ALL THE HOURS AVAILABLE NOR ARE OUR EXPENSES IN LINE.

**Goal: Increase Automotive Technician Hours Sold Efficiency from 62% to 76% within the next six months
Goal: Increase Automotive Technician Hours Sold Efficiency from 62% to 76% within the next six months through the implementation of targeted strategies and process improvements.**

Action Plan:

****Performance Analysis:****

Conduct a thorough analysis of current performance metrics and identify specific areas where efficiency can be improved. Evaluate the factors contributing to the existing 62% efficiency, including technician productivity, workflow bottlenecks, and time management.

****Training and Skill Enhancement:****

Provide additional training to automotive technicians to enhance their skills and proficiency in diagnosing and resolving issues. Invest in continuous education programs to keep technicians updated on the latest automotive technologies and repair techniques, ensuring they can work more efficiently.

****Workflow Optimization:****

Review and streamline the workflow processes within the automotive service department. Identify and eliminate any unnecessary steps or delays that may hinder the efficient completion of tasks. Implement a systematic approach to service delivery to reduce downtime and increase technician productivity.

****Technology Integration:****

Integrate advanced diagnostic tools and technology solutions to expedite the troubleshooting and repair process. Invest in software that improves

communication between technicians, service advisors, and other relevant departments, minimizing delays and enhancing overall efficiency.

**** Workload Distribution:****

Evaluate the workload distribution among technicians to ensure a balanced and optimized schedule. Use a data-driven approach to assign tasks based on each technician's strengths and expertise, avoiding overloading individuals and promoting a more equitable distribution of work.

**** Incentive Programs:****

Implement incentive programs to motivate technicians to meet and exceed efficiency targets. Recognize and reward high-performing individuals, fostering a culture of continuous improvement and accountability.

**** Regular Performance Reviews:****

Conduct regular performance reviews to monitor the progress of efficiency improvement initiatives. Gather feedback from technicians and other staff members to identify any challenges or obstacles hindering progress and make necessary adjustments to the action plan.

**** Customer Communication and Expectation Management:****

Enhance communication with customers to manage expectations regarding repair timelines and potential delays. Transparent and clear communication helps build trust and satisfaction, even in cases where repairs may take longer than expected.

**** Benchmarking and Best Practices:****

Research and benchmark against industry best practices to identify successful strategies employed by other automotive service centers. Implement proven methods that align with the specific needs and characteristics of your service department.

EVALUATE CHANGES-

**** Continuous Monitoring and Adaptation:****

Establish a system for continuous monitoring of efficiency metrics and adapt the action plan as needed. Regularly review the implemented strategies, identify areas for improvement, and make necessary adjustments to maintain progress toward the 76% efficiency goal.

By systematically addressing these key areas, the automotive service department can work towards achieving the targeted efficiency improvement over the specified timeframe. Regular monitoring and adaptability will be crucial to ensuring sustained success. onths through the implementation of targeted strategies and process improvements.

QUALITATIVE ANALYSIS

STRENGTHS

- 1. HAVE BEEN AROUND SINCE 1960'S**
- 2. WORK AS A TEAM**
- 3. TRUST WORTHY**
- 4. STRUCTURE**

WEAKNESSES

- 1. COMMUNICATION**
- 2. HOURS NOT THE SAME AS SALES**
- 3. POOR CSI**
- 4. CAN NOT WORK ON ALL MODELS**

OPPORTUNITIES

- 1. LONGER HOURS**
- 2. HIRE TECHS THAT CAN WORK ON ALL MODELS**
- 3. ADVERTISE SPECIALS BETTER**
- 4. OFFER MOBILE SERVICES**

THREATS

- 1. LOCATED IN CARS CITY LOTS OF DEALERSHIPS**
- 2. MORE EXPENSIVE THAN INDEPENDENTS**
- 3. NOT ALL THE PARTS WE NEEDED IN STOCK**
- 4. NO LOANERS AVAILABLE**

OBJECTIVES

- 1. IMPROVE COMMUNICATIONS**
- 2. WRITE MORE RO'S**
- 3. WORK ON CSI**
- 4. KEEP OUR CUSTOMERS OURS**

STRATEGIES

- 1. GROUP TEXT CHAIN FOR COMMUNICATION**
- 2. LONGER SHOP HOURS**
- 3. OFFER UNBEATABLE SPECIALS**
- 4. CHECK FTL A EXPERIENCE TO EVERY GUEST**

TACTICS

- 1. LOOK AT PAY PLANS**
- 2. REVIEW ALL WORK DONE AND COMPARE TO GOALS**
- 3. MANAGER FOLLOW UP ON CUSTOMERS WITH ISSUES**
- 4. ALL MAMANGERS INVOLVED AND ON THE SAME PAGE**

**OBJECTIVES / STRATEGIES / TACTICS
ACTION PLAN**

<u>TASK</u>	<u>BY WHOM</u>	<u>COMPL. DATE</u>
LONGER HOURS	GM/SVC. MNG	APRIL 1, 2024
ADVERTISE SPECIALS	SVC.MNG/MARKETING	APRIL 1, 2024
REVISE PAYPLANS	GM/SRV. MNG	APRIL 1, 2024
GROUP TEXT CHAIN	DEPT HEADS	APRIL 1, 2024
CREATE EXCEL TO TRACK	IT	APRIL 1, 2024
SET CSI STANDARD BONUS	GM/SRV.MNG	APRIL 1, 2024

Synopsis

This qualitative analysis evaluates our automotive service center, identifying its internal strengths, weaknesses, external opportunities, and threats. The primary objectives are outlined, accompanied by strategies and tactics to address the identified issues and capitalize on opportunities.

****Strengths:****

- 1. **Established Presence:**** The business has a long history, having been around since the 1960s.
- 2. **Team Collaboration:**** Employees work well as a team.
- 3. **Trustworthiness:**** The business is deemed trustworthy.
- 4. **Structured Approach:**** The organization follows a structured operational model.

****Weaknesses:****

- 1. **Communication Issues:**** Challenges in internal communication have been identified.
- 2. **Misalignment of Hours:**** Operational hours do not align with sales hours.
- 3. **Poor Customer Satisfaction Index (CSI):**** The business has received negative feedback in terms of customer satisfaction.
- 4. **Limited Service Range:**** The inability to work on all car models hampers business potential.

****Opportunities:****

- 1. **Extended Operating Hours:**** There is an opportunity to extend business hours.
- 2. **Versatile Technicians:**** Hiring technicians capable of servicing all car models.
- 3. **Improved Advertising:**** Better advertising of special offers.
- 4. **Mobile Services:**** Introducing mobile services to cater to a wider customer base.

****Threats:****

1. ****Competitive Landscape:**** Located in an area with numerous dealerships poses a threat.
2. ****Higher Cost:**** Being more expensive than independent competitors is a potential threat.
3. ****Inventory Challenges:**** Difficulty in sourcing required parts promptly.
4. ****Lack of Loaner Vehicles:**** The absence of loaner vehicles may impact customer satisfaction.

****Objectives:****

1. ****Enhance Communication:**** Improving internal communication.
2. ****Increase Repair Orders (ROs):**** Generating more repair orders.
3. ****Enhance CSI:**** Addressing issues leading to poor customer satisfaction.
4. ****Customer Retention:**** Ensuring existing customers remain loyal.

****Strategies:****

1. ****Communication Enhancement:**** Implementing a group text chain for improved communication.
2. ****Extended Hours:**** Extending operational hours for greater accessibility.
3. ****Promotional Offers:**** Introducing unbeatable specials to attract more customers.
4. ****Enhanced Customer Experience:**** Providing a customer experience akin to the efficiency of Chick-fil-A.

****Tactics:****

1. ****Pay Plan Evaluation:**** Reviewing and potentially revising employee pay plans.
2. ****Performance Review:**** Regularly reviewing work done against set goals.
3. ****Customer Issue Resolution:**** Managers actively following up on customer issues.
4. ****Unified Management Approach:**** Ensuring all managers are aligned and on the same page regarding strategies and objectives.

In summary, the analysis highlights the need for improvements in communication, service offerings, and customer satisfaction, with corresponding strategies and tactics devised to address these issues and capitalize on growth opportunities.