

MIKE WHATLEY HONDA

SERVICE DEPARTMENT ANALYSIS

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Strengths

- Small town dealership with loyal customer base. Relationships are a big part of our business, and this is advantageous being in a small town.
- The service department has tenured employees. We have 5 different employees with over 10 years of experience in our department.
- We have 2 technicians that are master certified and one that is currently testing out to become master certified.
- Shop foreman is very knowledgeable with 20+ years' experience. He can step in and help at peak busy times as well as help troubleshoot problems with our technicians.
- We have the most up to date software system for processing service department tickets as well as building quotes for customers.
- Our service department is like a family, we have really good relationships within our department and work well together.

Weakness

- We need more space in our service department for better workflow among employees. It can feel crowded at times, and we are right on top of each other.
- We need more stalls in our shop and could hire additional technicians if we had the space.
- Our wash rack area needs to be moved. Currently it is one way in and one way out, which can get congested and increase the chance of vehicles being damaged.
- We need to work better as a team in the service department and all contribute to training new hires.
- We need a bigger staging area for vehicles waiting to be serviced and make use of using dedicated spots for vehicles waiting to be worked on, waiting on parts, or ready for pickup.
- Inspections, part quotes, and review times need to improve for better overall efficiency in our department.
- Our service department hours do not mirror the sales department. Extended hours on Saturday would be beneficial.

Opportunities

- Attracting new customers to our service department
- Advertise that we work on all makes and models with a few exceptions.

- Making sure menu pricing is up to date and competitive within our market.
- Using pictures and videos to sale more parts and service
- Create useful coupons to help drive sales in our department, we can be more creative.

Threats

1. Smaller market which makes finding high caliber technicians / employees difficult
2. Several other dealerships and independent shops in our market
3. Do not have a true service drive, parking lot and staging areas can get congested.
4. Electric vehicles hitting the market will reduce our routine maintenance service intervals over time.
5. Cost of parts and labor increasing makes it harder for customer to find the value.

Objectives

1. Enhance Customer Relationships: Build upon the loyal customer base by implementing customer relationship management strategies to further strengthen customer loyalty and satisfaction.
2. Develop Employee Training Programs: Utilize the experienced and certified technicians to mentor and train other employees to enhance the overall skill level of the service department and ensure continuity of expertise.
3. Optimize Workflows: Streamline processes and operations within the service department by leveraging the up-to-date software system to improve efficiency and productivity.
4. Implement Cross-Training Initiatives: Encourage cross-training among employees to enhance flexibility and teamwork within the department, enabling employees to step in and assist each other during peak busy times.
5. Foster a Positive Work Environment: Continue to nurture the familial atmosphere within the service department by promoting team-building activities and maintaining open communication channels to enhance collaboration and morale among employees.

Strategies

1. **Expansion and Renovation:** Consider expanding the service department space to accommodate more stalls and technicians, as well as creating a dedicated wash rack area with improved traffic flow. Renovations can help alleviate congestion and improve overall workflow efficiency.

2. **Team Collaboration and Training:** Implement team-building exercises and cross-training programs to foster a culture of collaboration and shared responsibility in training new hires. Encouraging employees to work together and share knowledge can improve teamwork and efficiency in the service department.

3. **Process Optimization:** Review and streamline inspection, part quoting, and review processes to reduce turnaround times and enhance overall efficiency. Identify bottlenecks in the workflow and implement strategies to improve the speed and accuracy of these tasks.

4. **Extended Service Hours:** Align service department hours with the sales department by offering extended hours on Saturdays to better serve customers and increase service availability. Providing convenient service hours can attract more customers and improve customer satisfaction.

5. **Customer Service Enhancements:** Implement a customer-centric approach by creating dedicated vehicle staging areas for different service stages, offering transparent pricing, and providing exceptional customer service. Improving the customer experience can lead to increased customer loyalty and positive word-of-mouth referrals.

Tactics

1. **Marketing Campaign:** Launch a targeted marketing campaign to promote the dealership's strengths, such as the experienced technicians, customer relationships, and service department amenities. Utilize digital advertising, social media, and direct mail to reach potential customers in the local market.

2. **Customer Referral Program:** Implement a customer referral program to incentivize existing customers to refer friends and family to the service department. Offer discounts or rewards for successful referrals to drive new business and expand the customer base.

3. **Service Specials and Promotions:** Create and promote service specials and promotions, such as discounted maintenance packages, seasonal offers, and loyalty rewards programs. Highlight these promotions through the dealership's website, social media channels, and email marketing to attract price-conscious customers.

4. **Customer Feedback and Satisfaction Surveys:** Collect feedback from customers through satisfaction surveys to identify areas for

improvement and gauge customer satisfaction levels. Use this feedback to make informed decisions on service enhancements, pricing adjustments, and customer service improvements.

5. Community Engagement: Engage with the local community by sponsoring events, participating in charity drives, and hosting customer appreciation events. Building a strong presence in the community can increase brand visibility, foster positive relationships with customers, and attract new business through word-of-mouth referrals.

Action Plan

1. Expansion and Renovation: - Begin renovation planning and space expansion by [10/1/24]

2. Team Collaboration and Training: - Launch team-building exercises and cross-training programs by [7/1/24] - Schedule regular training sessions for current employees to share knowledge and skills - Implement a buddy system for new hires to shadow experienced technicians - Target Completion Date: Ongoing

3. Process Optimization: - Conduct a process review and optimization by [6/1/24] - Identify bottlenecks in inspection, part quoting, and review processes - Implement streamlined procedures and tools to improve efficiency

4. Extended Service Hours: - Implement extended service hours on Saturdays by [1/1/25] - Update service department schedules and communicate new hours to customers - Ensure staffing levels are adequate to support extended hours.

5. Marketing Campaign: - Date: Launch targeted marketing campaign by [6/1/24] - Develop marketing materials highlighting dealership strengths and service offerings - Distribute campaign through digital channels, social media, and direct mail.

Synopsis

The service department of a small-town dealership faces challenges such as limited space, congestion in parking areas, and difficulty finding high-caliber technicians in a competitive market. Despite these weaknesses, the dealership boasts a loyal customer base, experienced employees, and up-to-date software systems. To overcome these challenges, the dealership plans to expand and renovate its facilities, implement team collaboration and training programs, optimize processes, extend service hours, and enhance its marketing efforts. By focusing on infrastructure improvements, employee development, customer service enhancements, and community engagement, the dealership aims to attract new customers, improve service offerings,

and create a more efficient and customer-centric service department. Through a strategic action plan that includes renovation timelines, training initiatives, process optimizations, extended service hours, and targeted marketing campaigns, the dealership is poised to overcome its weaknesses, leverage its strengths, and achieve long-term success in the competitive automotive market.

Repair Order Analysis Summary Report							
	Sales in Dollars	FRH's on RO's	Average	Analysis			
Competitive	\$ 4,382	÷ 46.50	= 94.23	FRH Average			
Maintenance	\$ 1,530	÷ 10.60	= 144.35	FRH Average			
Repair	\$ 6,190	÷ 42.90	= 144.30	FRH Average			
Totals	\$ 12,102	÷ 100.00	= 121.02	Customer ELR			
Target Labor Rate			140.00	Per FRH			
Total ROs	100	Difference		-18.98	Per FRH		
Cost of Labor							
Total Cost of Labor	2350.00	÷ Total Sales	= 19.42%	Percent Cost of Sales			
Total Cost of Labor	2350.00	÷ Total FRHs	= 23.50	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	12,102.45	÷ Total ROs	= 121.02	Avg Labor per RO			
Total FRHs	100.00	÷ Total ROs	= 1.00	Avg FRH's per RO			
Menu Sales		÷ Total ROs	=	Percent Menu Sales			
Competitive FRHs	46.50	÷ Total FRHs	= 46.50%	Percent Competitive			
Maintenance FRHs	10.60	÷ Total FRHs	= 10.60%	Percent Maintenance			
Repair FRH	42.90	÷ Total FRHs	= 42.90%	Percent Repair			
One item ROs	59	÷ Total ROs	= 59.00%	Percent One Item RO			
Model Year Analysis							
2025	2024	2023	2022	2021	2020	Older	Total
0	2	7	14	7	9	61	100
0.00%	2.00%	7.00%	14.00%	7.00%	9.00%	61.00%	



