

Welcome to Tysons Corner Service
Department
8550 Tyco Road Vienna, Va 22182
NADA Service Department Presentation
May, 2018

Presented by Cristian Taffo





Facility

This state-of-the-art service department is operated with 27 mechanical lifts, 1 Alignment stall, 1 flat stall, and 2 detailing stalls. This department is Managed by Kevin Ross. He has been in the industry for 35 years and has assembled the following employees:

- The service lane has an Assistant Manager that supervises: 5 advisors, 1 clerical, and 14 porters.
- The mechanical shop has: 2 Shop foremen's, 26 technicians, and a detailer.

This service department year to date earning are \$4,695,737 with a gross profit of \$3,214,888.

This following template shows the facility potential and utilization:

FACILITY POTENTIAL	
Number of Bays	31
	x
Number of Days	27
	x
Number of Hours	12
	x
Effective Labor Rate	120.77
	<i>equals</i>
FACILITY POTENTIAL	\$ 1,213,014

FACILITY UTILIZATION	
Total Labor Sales	\$ 833,758
	÷
Facility Potential	\$ 1,213,014
	<i>equals</i>
FACILITY UTILIZATION	68.73%

NADA Guide for a facility utilization is 75%

Productivity

This next template shows May's sales numbers that calculate the technician's performance.

NADA guideline for a service technician is 120%

NADA ACTUAL SERVICE ANALYSIS					
Performance					
	Labor Sales / Month		Hourly Labor Rate		Hours Billed
Customer Car*	\$ 253,502	÷	106.54	=	2379.4
Customer Truck*	\$ -	÷		=	0.00
Customer Other*		÷		=	0.00
Warranty	\$ 377,665	÷	144.00	=	2622.7
Internal	\$ 202,591	÷	106.54	=	1901.5
New Vehicle Prep		÷		=	0.00
Total	\$ 833,758				6903.6
POTENTIAL					
	\$ 833,758	÷	6903.63	=	\$ 120.77
	Total labor sales for month		Total hours billed		Effective Labor Rate
	29.00	x	8	x	25 = 5,800.0
	# Service mechanical technicians		# Hours/Day		Working Days/Month
	5,800.0	x	\$ 120.77	=	\$ 700,472
	Clock Hours Available		Effective Labor Rate		Labor sales potential
How proficient are your technicians?					
	6,029.5	÷	5,800.00	=	103.96%
	Hours Produced		Hours Available		Tech Proficiency
Customer labor divide by the Customer Effective Labor rate from the R. O. Analysis					

Analyze Cost of Labor

This next templates shows May's numbers

Service Department Sales And Gross (Labor Only)				
Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 253,502	\$ 195,973	77.31%	30.40%
Customer Truck			0%	0.00%
Customer Other			0%	0%
Warranty	\$ 251,787	\$ 214,771	85.30%	30.20%
Warranty Other	\$ 125,878	\$ 108,352	86.08%	15.10%
Internal	\$ 202,591	\$ 101,897	50.30%	24.30%
NM / Road Ready			0%	0%
Adj. Cost Of Labor			0%	0.00%
Total	\$ 833,758	\$ 620,993	74.48%	100.00%

Changes in Expense Structure

Service Department Profit Centering			
Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 620,993		
Variable Expense	\$ 171,367	27.60%	
Selling Expense	\$ 10,638	1.71%	
Personnel Expense		0.00%	
Semi-Fixed Expense	\$ 138,473	22.30%	
Fixed Expense	\$ 147,320	23.72%	
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	\$ 467,798	75.33%	
Net Profit	\$ 153,195	24.67%	

Detail performance programs

Director Kevin Ross used to have a once a week meeting with the entire mechanical shop; however, this was not very successful due to the lack of participation. There were too many employees that did not feel comfortable speaking in a large group environment. Consequently, he implemented a 7:30 a.m. meeting every Tuesday and Thursday with a selected set of technicians, one advisor, and a porter. During these meetings, they review current protocols and devise new ideas that can improve their work environment. Thus far, he has already applied several new processes that have shown great progress.

Once a month, Kevin reviews the current performance of each advisor. They discuss total sales, gross profit, and CSI. In order to give each advisor an independent goal, he calculates the advisors last six-month total performance average and increases it by 10% until they reach their full potential. For their CSI every advisor has to be above national average. Every six months, Kevin will review the technician's average daily production hours and will add 10% as a goal.

Level of current training

Kevin has several tools that measure employee training:

Manager Summary | Manage Enrollments | Employee Management | Certification-At-A-Glance | Cert Readiness | Tech Readiness | Inbox

Department Options Export

Quarterly Continuous Learning												
Code/Name	Total Certifiable Personnel Count	Total % Completed ACC Skills Check	Total % New Hires Completed ABE	Total % Completed Q1	Total % Completed Q2	Total % Completed Q3	Total % Completed Q4	Total % New Parts Consultant Completed Parts System & Processes	Total % New Warranty Admin Completed Top Service	Total % Warranty Admin Completed Top Service Level 2	Total % Completed ACE through Top Service (Consultants)	Total % Completed ACE through Top Service (Managers)
409D01 Audi Tysons Corner	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Name	Position	Dept	Hire Date	Completed ACC Skills Check Online	Completed ACC Skills Check In-person	Completed ABE (S01492)	Completed Q1	Completed Q2	Completed Q3	Completed Q4	New Parts Consultant Completed Parts Systems & Processes WNR (730144)	New Warranty Admin Completed Top Service WNR (750122)	Warranty Admin Completed Top Service Level 2 WNR (750126)	ACE through Top Service (Consultants) ILT (718104)	ACE through Top Service (Managers) ILT (718103)
Jernigan, Ashleigh	SV-WA-0	SV	10/23/2017	N/A	N/A	Y	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	N/A
Kashani, Alireza	SV-CON-1	SV	09/06/2016	N/A	Y	N/A	Y	Y	Y	N	N/A	N/A	N/A	Y	N/A
Korelitz, David	SV-CON-1	SV	03/26/2016	N/A	R	N/A	Y	Y	Y	N	N/A	N/A	N/A	Y	N/A
Mikailoglu, Sirun	SV-CON-1	SV	05/08/2017	N/A	N/A	N/A	Y	Y	Y	N	N/A	N/A	N/A	Y	N/A
O'Connell, Tiara	SV-CON-0	SV	01/06/2014	N/A	N/A	Y	Y	Y	N	N	N/A	N/A	N/A	Y	N/A
Richardson, Michael	SV-CON-0	SV	03/16/2018	N/A	N/A	N	Y	Y	Y	N	N/A	N/A	N/A	N	N/A
Ross, Kevin	SV-SM-1	SV	02/15/2010	N/A	N/A	N/A	Y	Y	Y	N	N/A	N/A	N/A	N/A	Y
Sanchez-Calvillo, Jose	SV-SM-0	SV	03/23/2015	N/A	N/A	Y	Y	Y	Y	N	N/A	N/A	N/A	N/A	Y
SINGATULLIN, RUSS	SV-CON-1	SV	05/24/2016	N/A	Y	N/A	Y	Y	Y	N	N/A	N/A	N/A	Y	N/A
Young, Gavin	SV-CON-0	SV	06/11/2018	N/A	N/A	N	Y	Y	Y	N	N/A	N/A	N/A	Y	N/A

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Name	Position	Credits / Required Courses	Certification Date	ILT Status
Arthur, Stephen	SV-TECH-0	12/20 Required Courses	--	N/A
Behram, Ron	SV-TECH-1	0/2 Required Courses	--	N/A
Bittle, Dean	SV-TECH-2	0/2 Required Courses	--	N/A
Busch, Jack	SV-TECH-2	0/2 Required Courses	--	N/A
Carranza, Wilson	SV-TECH-2	0/2 Required Courses	--	N/A
Cervantes, Reynaldo	SV-TECH-2	0/2 Required Courses	--	N/A
CROHN, BRAD	SV-TECH-1	0/2 Required Courses	--	N/A
CRUZ, JONATHAN	SV-TECH-1	0/2 Required Courses	--	N/A
Daguiso, Rommel	SV-TECH-1	0/2 Required Courses	--	N/A
Gomez, Oliver	SV-TECH-2	0/2 Required Courses	--	N/A
GONZALVEZ, SYLVAIN	SV-TECH-1	0/2 Required Courses	--	N/A
Grove-Ospina, Izzat	SV-TECH-2	0/2 Required Courses	--	N/A
GUERRA, YASSIR	SV-TECH-1	0/2 Required Courses	--	N/A
Gugiu, Iulian	SV-TECH-1	0/2 Required Courses	--	N/A
Kamrani, Adel	SV-TECH-0	2/20 Required Courses	--	N/A
Kemaw, Eyoas	SV-TECH-0	6/20 Required Courses	--	N/A
Nguyen, Richard	SV-TECH-1	0/2 Required Courses	--	N/A
Orellana, Jose	SV-TECH-0	0/20 Required Courses	--	N/A
Perez, Alvaro	SV-TECH-1	0/2 Required Courses	--	N/A
Regan, Brian	SV-TECH-2	0/2 Required Courses	--	N/A
Robinson, Darrin	SV-TECH-0	4/20 Required Courses	--	N/A
ROSALES, JOSE	SV-TECH-1	0/2 Required Courses	--	N/A
Safi, Ahmad-Shaker	SV-SF-2	0/2 Required Courses	--	N/A
Sposari, Paul	SV-TECH-2	0/2 Required Courses	--	N/A
Steven, Reynaldo	SV-TECH-2	0/2 Required Courses	--	N/A
Woods, Leslie	SV-TECH-1	0/2 Required Courses	--	N/A
Zacharko, Jacob	SV-TECH-1	0/2 Required Courses	--	N/A

These are Audi website tools that will show each employee quarterly performance and certifications. The web testing and hands on training are both required by Audi in order to maintained in compliance. Unfortunately, he currently only has one Audi technician that is fully trained with all of the required certification. The major obstacle is to get more technicians trained. Currently, they are 4 out of the 28 technicians that are considered in the industry as a "A" tech.

Kevin has come to the realization that he cannot find and hire a fully certified or master technician. The only path is to create a learning path for each apprentice and hope to convert many of them to a full "A" line technician.

In the service lane, the manager is supervising their advisors on a daily basis to improve and coach them to increase customer pay work. As of now, Customer pay work is only 30% of the total sale contribution. The current goal is 40% and hopes in the future to achieve 60%

Overall, his main focus is to increase technician proficiency, employee training, hiring new employees, and increase his CSI/ESI. Currently he is setting up a meeting with the parts manager to discuss several opportunities that will increase his technician proficiency. Presently, there are two back parts counter employees for the 28 technicians. One of the them only has the knowledge and the capacity to quickly look up parts. The parts manager needs to be able to cross train all of the parts counter staff and add an additional parts runner; he will also need help from the General Manager in order to achieve this.

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 4,550 ÷	69.50 =	65.47	FRH Average
Maintenance	\$ 7,774 ÷	64.00 =	121.47	FRH Average
Repair	\$ 17,541 ÷	114.05 =	153.80	FRH Average
Totals	\$ 29,865 ÷	247.55 =	120.64	Customer ELR
		Target Labor Rate	146.00	Per FRH
Total Ro's in Sample	50	Difference	-25.36	Per FRH

Cost of Labor

Total Cost of Labor	5573.45 ÷	Total Sales	=	18.66%	Percent Cost of Sales
Total Cost of Labor	5573.45 ÷	Total FRH's	=	22.51	Cost per FRH

Repair Order Measurements

Total Labor Sales	29,865.00 ÷	Total RO's	=	597.30	Avg Labor per RO
Total FRH's	247.55 ÷	Total RO's	=	4.95	Avg FRH's per RO
Menu Sales		Total RO's	=		Percent Menu Sales
Competitive FRH's	69.50 ÷	Total FRH's	=	28.08%	Percent Competitive
Maintenance FRH's	64.00 ÷	Total FRH's	=	25.85%	Percent Maintenance
Repair FRH'	114.05 ÷	Total FRH's	=	46.07%	Percent Repair
One item RO's	6 ÷	Total RO's	=	12.00%	Percent One Item RO

Model Year Analysis

2019	2018	2017	2016	2015	2014	Older	Total
0	0	0	0	0	0	50	50
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	