
NADA SERVICE HOME WORK

Christopher Hartung



MERCEDES-BENZ OF CHERRY HILL

A, advertising



Update the look of your Mercedes Benz with an Illuminated Star!

Starting at **\$290.00**
Call the Parts Department for Details



Time's running out! Summer values end soon.

New 2018 Mercedes-Benz **GLA 250 4MATIC*** **\$359** *Per Mo. 36 Mos. Lease. \$3,807 due at signing

Stk# M2014, 4 dr, 4 cyl, auto, p/s/b, a/c, MSRP: \$38,945. \$2653 down pymt + \$359 1st mo. + \$79.5 bank fee + \$0 sec dep + \$3,807 due at signing + tax, tags & MV fees. Ttl pymt/Residual/Ttl Cost: \$12,924/\$21,609.20/\$16,731. Offers end 8/31/18.




SUMMER CLEARANCE SALE



Enjoy 15% OFF all in stock summer clothing! Expires 8-31-18



Don't hit the road before cashing in on these two offers!

COMPLIMENTARY Air Conditioning Service
Let us help you keep your cool this summer.
• A quieter, cooler running A/C System
• Improves efficiency
• Also receive 16% off any suggested repairs

15% OFF Brake Pad & Rotor Special
Receive the listed discount off of Brake Pads and Rotors.

Must present when service order is written. One coupon per customer. May not be combined with other offers. Not applicable to prior purchases. Not responsible for typographical or printing errors. Other restrictions may apply. Expires 08/31/2018.

[SCHEDULE SERVICE](#)

B. marketing

C. facility B-tab

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 377,650		
Variable Expense		0.00%	
Selling Expense		0.00%	
Personnel Expense	\$ 166,068	43.97%	
Semi-Fixed Expense	\$ 107,152	28.37%	
Fixed Expense	\$ 44,343	11.74%	
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	\$ 317,563	84.09%	
Net Profit	\$ 60,087	15.91%	

D. productivity A. tab

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 297,212	\$ 236,954	79.73%	59.05%
Customer Truck			0%	0.00%
Customer Other	\$ 33,162	\$ 26,989	81.39%	6.59%
Warranty	\$ 110,509	\$ 89,636	81.11%	21.95%
Warranty Other	\$ 2,041	\$ 1,592	78.00%	0.41%
Internal	\$ 60,436	\$ 47,428	78.48%	12.01%
NVI / Road Ready			0%	0%
Adj. Cost Of Labor		\$ (24,949)	0%	0.00%
Total	\$ 503,360	\$ 377,650	75.03%	100.00%

E. We are structured as the following, we are a nonunion shop, we have a service director, service manager, 8 advisor 2 dispatcher, 3 shop formen ,22 tech and 46 bays.

F. tab c

FACILITY POTENTIAL	
Number of Bays	52
	x
Number of Days	21
	x
Number of Hours	11
	x
Effective Labor Rate	122.98
	<i>equals</i>
FACILITY POTENTIAL	\$ 1,477,236

FACILITY UTILIZATION	
Total Labor Sales	\$ 503,360
	÷
Facility Potential	\$ 1,477,236
	<i>equals</i>
FACILITY UTILIZATION	34.07%

G.

Performance

	Labor Sales / Month		Hourly Labor Rate		Hours Billed
Customer Car*	\$ 297,212	÷	131.24	=	2264.6
Customer Truck*	\$ -	÷		=	0.00
Customer Other*	\$ 33,162	÷	131.24	=	252.7
Warranty	\$ 112,550	÷	131.30	=	857.2
Internal	\$ 60,436	÷	84.10	=	718.6
New Vehicle Prep		÷		=	0.00
Total	\$ 503,360				4093.1

POTENTIAL

$$\begin{array}{r}
 \$ 503,360 \\
 \text{Total labor sales for month}
 \end{array}
 \div
 \begin{array}{r}
 4093.14 \\
 \text{Total hours billed}
 \end{array}
 =
 \begin{array}{r}
 \$ 122.98 \\
 \text{Effective Labor Rate}
 \end{array}$$

$$\begin{array}{r}
 23.00 \\
 \# \text{ Service mechanical technicians}
 \end{array}
 \times
 \begin{array}{r}
 8 \\
 \# \text{ Hours/Day}
 \end{array}
 \times
 \begin{array}{r}
 21 \\
 \text{Working Days/Month}
 \end{array}
 =
 \begin{array}{r}
 3,864.0 \\
 \text{Clock Hour Avail}
 \end{array}$$

$$\begin{array}{r}
 3,864.0 \\
 \text{Clock Hours Available}
 \end{array}
 \times
 \begin{array}{r}
 \$ 122.98 \\
 \text{Effective Labor Rate}
 \end{array}
 =
 \begin{array}{r}
 \$ 475,181 \\
 \text{Labor sales potential}
 \end{array}$$

How proficient are your technicians ?

$$\begin{array}{r}
 4,093.1 \\
 \text{Hours Produced}
 \end{array}
 \div
 \begin{array}{r}
 3,864.00 \\
 \text{Hours Available}
 \end{array}
 =
 \begin{array}{r}
 105.93\% \\
 \text{Tech Proficiency}
 \end{array}$$

Customer labor divide by the Customer Effective Labor rate from the R. O. Analysis

H. pay plans

Pay program for Mercedes Benz Assistant Service Managers.

Mercedes Benz ASM:

Effective Date:

Salary

As a Mercedes Benz Assistant Service Manager you will be paid a base salary of \$500.00 per calendar week. This salary will be paid in the event of an eligible vacation, holiday, or sick days in accordance with company policy. In the event that the ASM misses work for an event that is not an eligible vacation, holiday, or sick day, the daily rate of the salary for the week will be deducted from the ASM's salary. The salary in the amount of \$500.00 will be paid on the Thursday of each week for the previous weeks work, and is not considered a draw.

Earned Commissions

Mercedes Production: You will be paid Earned Commissions on all Closed Repair Orders for your group based on sold production hours as reported on the ADP RAP Report. The first part will be for any hours sold on your repair orders, the multiplier for these production hours will be \$5.50 as of this printing. The second part will be for any hours sold on any repair orders written by group pattern ASM, the multiplier for these production hours will be \$1.50 as of this printing.

Policy Adjustment/6703 Deduction: The sold production hours will be adjusted according to the following method. Each month the labor sales for your Technicians will be multiplied by 2.5% (as of this printing and may be reviewed quarterly) and this will serve as the monthly 6703 budget. The 6703 account budget will be subtracted from the actual 6703 account balance and the difference will be divided by the overall effective labor rate for the month to determine the production hours that the overage/surplus represents. These production hours will be subtracted or added to the sold production accordingly.

EXAMPLE:

Monthly Sales		\$70,000
Monthly 6703 budget	sales X 2.5%	\$1,750
Actual Monthly 6703 balance		\$3,500
6703 difference		\$1,750
Monthly overall ELR		\$122.50
Production Hours represented	6703 difference divided by ELR	\$14.3

8.48 production hours will be subtracted from your eligible production hours.

Customer Satisfaction Bonus: In addition to Earned Commission the ASM will be eligible for Customer Satisfaction Bonus for each calendar month. The Customer Satisfaction Bonus will be in 2 portions based on the Mercedes Benz Service three month rolling Overall CRI Score. The first portion is for being at or above the Benchmark Average on the monthly Mercedes Benz CRI report and will be an additional \$2.50 for each production hour sold by you as outlined above. The second portion is for being 5 points above the Benchmark Average on the monthly Mercedes Benz CRI report and will be an additional \$0.50 for each production hour sold by you as outlined above. The total CRI bonus available will be \$3.00 for each production hour sold by you as outlined above.

EXAMPLE:

	<u>Below Benchmark</u>	<u>5 Point Above Benchmark</u>
CRI Bonus	\$0	\$3.00 X 450 hours = \$1350.00

Advisor	C/P Hours	Warr Hours	Int. Hours	Parts Sales	Commission Earned
Ted	278.6	82.1	18.8	\$41,081.80	\$4,697.76
Tom G	183.2	47.1	17.5	\$30,202.17	\$4,697.76
	461.8	129.2	36.3	\$71,283.97	
Tom M	272.9	54.7	50.7	\$45,718.47	\$5,364.99
Dave S	241.1	82.1	67.1	\$35,356.38	\$4,796.92
	514	136.8	117.8	\$81,074.85	
Rick S	174.8	74.4	12.4	\$23,547.62	\$4,504.27
Kristin	316	112	26.5	\$38,151.68	\$4,026.48
	490.8	186.4	38.9	\$61,699.30	
Reggie	202.9	57	17.6	\$36,047.79	\$5,467.60
Dan S	360.3	143	21.9	\$59,600.74	\$5,467.60
	563.2	200	39.5	\$95,648.53	\$39,023.38

I. pups, rose..

Additional Service Request Analysis Weekly Summary

Week Of : May 29, 2017

	Service Advisor	R/O's Worked	ASR Requests Received	ASR Hours Requested	ASR Request Value	ASR Hours Sold	Closing %	% Represent
A.	Rick	14	6	27.3	4.6	4.5	16.5%	42.9%
B.	Kristen	14	1	6.8	6.8	6.8	100.0%	7.1%
C.	Dave	5	3	9.7	3.2	4.6	47.4%	60.0%
D.	Tom Mac	6	4	10.6	2.7	0.8	7.5%	66.7%
E.	Tom G	18	5	17.1	3.4	2.8	16.4%	27.8%
F.	Ted	23	4	12.1	3.0	0.0	0.0%	17.4%
G.	Dan	12	5	18.2	3.6	10.8	59.3%	41.7%
H.	Reggie	15	4	15.4	3.9	13.4	87.0%	26.7%
	Totals	107	32	117.2	3.7	43.7	37.3%	29.9%

	Technician	R/O's Worked	No. of ASR's	ASR Hours Requested	ASR Hours Sold	Closing %	Percent Requests to R/O's	ASR Value Sold Per R/O
1	DAVE BUTTS	0	0	0.0	0.0	0.0%	0.0%	0.0
2	FELIX RIVERA	0	0	0.0	0.0	0.0%	0.0%	0.0
3	AL VASSEY	0	0	0.0	0.0	0.0%	0.0%	0.0
4	CHRIS RICHTER	8	6	19.5	4.6	23.6%	75.0%	0.6
5	KEN EDDY	13	2	10.0	0.0	0.0%	15.4%	0.0
6	MATT FELIX	5	1	1.0	1.0	100.0%	20.0%	0.2
7	MATTY LYNCH	9	2	22.6	6.8	30.1%	22.2%	0.8
8	RAMON RODERIGUE	3	1	3.4	3.4	100.0%	33.3%	1.1
9	KEVIN BAKER	22	10	38.7	19.5	50.4%	45.5%	0.9
10	MADDY CHISM	5	1	0.8	0.8	100.0%	20.0%	0.2
11	VICTOR CRESPO	1	0	0.0	0.0	0.0%	0.0%	0.0
12	ZACHARY COOK	11	2	4.5	3.5	77.8%	18.2%	0.3
13	JOSHUA PARKER	6	1	1.1	0.0	0.0%	16.7%	0.0
14	DYLAN GUENTHER	6	3	7.0	1.0	14.3%	50.0%	0.2
15	ZACHARY ROLLINS	0	0	0.0	0.0	0.0%	0.0%	0.0
16	DENIS KOPYTYUK	0	0	0.0	0.0	0.0%	0.0%	0.0
17	ZACHARY TRUNCAL	0	0	0.0	0.0	0.0%	0.0%	0.0
18	KELVIN DO	3	1	5.0	3.0	60.0%	33.3%	1.0
19	CARLOS RAMIREZ	6	0	0.0	0.0	0.0%	0.0%	0.0
20	KYLE HICKEY	3	0	0.0	0.0	0.0%	0.0%	0.0
21	KHERN SPRINGER	6	2	3.6	0.1	2.8%	33.3%	0.0
22	0	0	0	0.0	0.0	0.0%	0.0%	0.0
23	0	0	0	0.0	0.0	0.0%	0.0%	0.0
24	0	0	0	0.0	0.0	0.0%	0.0%	0.0
25	0	0	0	0.0	0.0	0.0%	0.0%	0.0
	Total Shop	107	32	117.2	43.7	37.3%	29.9%	0.4

J. level of current training. I am currently up to date on all training. Netstar is the training website

K. special tools



L.

Repair Order Analysis Summary Report							
	Sales in Dollars		FRH's on RO's		Averages	Analysis	
Competitive	\$	11,773	÷	86.27	=	136.47	FRH Average
Maintenance	\$	6,772	÷	42.29	=	160.12	FRH Average
Repair	\$	15,704	÷	73.14	=	214.71	FRH Average
Totals	\$	34,249	÷	201.70	=	169.80	Customer ELR
			Target Labor Rate				Per FRH
Total Ro's in Sample	100		Difference		169.80		Per FRH
Cost of Labor							
Total Cost of Labor	4401.10		÷	Total Sales	=	12.85%	Percent Cost of Sales
Total Cost of Labor	4401.10		÷	Total FRH's	=	21.82	Cost per FRH
Repair Order Measurements							
Total Labor Sales	34,248.57		÷	Total RO's	=	342.49	Avg Labor per RO
Total FRH's	201.70		÷	Total RO's	=	2.02	Avg FRH's per RO
Menu Sales			÷	Total RO's	=		Percent Menu Sales
Competitive FRH's	86.27		÷	Total FRH's	=	42.77%	Percent Competitive
Maintenance FRH's	42.29		÷	Total FRH's	=	20.97%	Percent Maintenance
Repair FRH'	73.14		÷	Total FRH's	=	36.26%	Percent Repair
One item RO's	15		÷	Total RO's	=	15.00%	Percent One Item RO
Model Year Analysis							
2019	2018	2017	2016	2015	2014	Older	Total
0	6	3	16	15	7	53	100
0.00%	6.00%	3.00%	16.00%	15.00%	7.00%	53.00%	

M.

Strengths

Mercedes-Benz of Cherry Hill is a family owned and operated Mercedes-Benz dealer. Full-service dealer serving Philadelphia and South Jersey for over 30 years.

Our service staff At Mercedes-Benz of Cherry Hill deliver the highest quality service in the industry, from the information we provide to the personalized care you receive, wherever you are.

Our service director has been with the company for 50 plus years.

Weakness

We are 7 days booked with loaner. The moral of the dealership is pretty low. We are currently not open Sundays and nights

Having a hard time getting the shop foremen to preform monthly tech one on one meetings.

Would like to see more advertising money spent on service.

Opportunities

Increases loaner fleet

Spend more money on service department.

OPS will being installed in September.

Mercedes is doing away with dealer surveys

Threats

There are three MB dealership in our aoi and they are all own by the same owner.

They advertise that they have triple the inventor.

Our inventor is very low.

Emp. Turnover and training could use work.

S.W.A.T