

Mercedes Benz of Huntington Qualitative Analysis

Strengths

- 1- Family-owned. The dealership is part of a family owned dealer group. The owner is present on a daily basis & regularly engages employees. He personally hands out the pay checks to the staff.
- 2- Many long-term employees. Our service manager has worked for the group for over 30 years. The assistant manager over 20. More than half of our technicians are here longer than 10 years. The advisors have very low turnover as well. Our top two have been with the store since it opened 18 years ago. The customers appreciate seeing the same faces every time they visit.
- 3- Great facility. The entire dealership was redone 5 years ago. There is a large service drive, a clean & organized advisor area, a modern customer waiting area & a large shop with new equipment.
- 4- After hours pick up/drop off. We keep one service staff member until close to assist customers.
- 5- Strong traffic. The dealership has excellent customer retention due to many of the reasons listed above. We also have one BDC representative who is constantly working on campaigns to bring in customers.
- 6- Great brand. Mercedes-Benz has maintained number one status in the Long Island luxury market for many years. This is expected to continue with many new products coming.

Weaknesses

- 1- One line repair orders. We are in a high penetration lease market. Many of our lease customers want to the bare minimum to maintain their vehicles. This is leading to one line RO's. The service team needs to stop taking the path of least resistance & work harder on up-sell opportunities.
- 2- Communication. Shop meetings are infrequent. The technicians do not feel they have a voice.
- 3- Training. New hires are often left to "wing it".
- 4- Dispatch plays favorites. Work is not distributed equally.
- 5- CPO comebacks. Are we cutting too many corners? Are techs being rushed?

Opportunities

- 1- MPI tracking. Monitoring MPI performance for techs & advisors can reduce one line RO's.
- 2- Promote top BDC rep to supervisory role. She can share her practices & help the performance of the other reps.
- 3- Training. Have senior technicians mentor junior technicians to help their growth & improve employee retention.
- 4- Turmoil at competitors. Some of our local competitors are under new management or have ownership changes. There is opportunity to take some of their business as well as take some of their employees.
- 5- Express service.
- 6- Late night service. We are not open the same hours as sales.

Threats

- 1- Complacency. We are performing well but if we expect that trend to continue we need to keep our minds open to new ideas & opportunities.
- 2- Sunday. One competitor recently opened on Sunday for service.
- 3- Losing employees. With new leadership in competitive stores, some employees may be lured to leave.

Strategies

- 1- Shop meetings. Have regular meetings to discuss any shop business or issues. These meetings are to be held in our conference room.
- 2- Express Service. Mercedes-Benz is really trying to push this program. We should take advantage. Hire or promote someone to be a dedicated Express Service Advisor. We already have dedicated technicians. Let's make this into a real profitable team.
- 3- Promote top BDC rep to supervisor.
- 4- Extend service hours during the week.

Objectives

- 1- Reduce the number of one line RO's
- 2- Improve communication between the shop & management
- 3- Bring in more older vehicles. Take them away from independents & into our drive.
- 4- Reduce loaner vehicle expense.

Tactics

- 1- Get service manager more involved in day to day operations.
- 2- Have assistant service manager think more like a manager & less like a tech.
- 3- Extend service business hours during the week & eventually add Sunday.
- 4- Get Express Service up & running in more than just name only.
- 5- Advertise service & parts more aggressively in competitive markets.
- 6- Have regular shop meetings & include the parts department.
- 7- Regularly attend shop & advisor meetings.

Action Plan

<u>Task</u>	<u>By Whom</u>	<u>Completion Date</u>
Extend service hours	GM/Svc Mgr	2/1/19
Express Service	GM/Svc Mgr	12/1/18
Regular Shop Meetings	Svc Mgr/ASM/PM	Immediately
Advertise service in competitive markets	GM/Svc Mgr	10/2/18
Mentor Program	Svc Mgr/ASM	11/1/18
Track MPI	Svc Mgr/ASM	Immediately
Reduce CPO Comebacks	UCM/Svc Mgr	11/1/18

Synopsis

We are having a record year for our service department. Some of that is due to recalls & a large increase in pre-owned business. We also have a very strong advisor team who makes sure our clients keep coming back. That being said, there are still plenty of opportunities for our store to continue to grow.

If we go all in with the Mercedes-Benz Express Service program, we could increase customer satisfaction scores & reduce our dependence on loaner vehicles. By adding a dedicated Express Service advisor, we can reduce our one line RO's. Where our regular advisors may not have the time to try & up-sell customers coming in for regular maintenance, a dedicated express advisor will. The express customer may be more receptive if pitched correctly from the moment they enter the drive. I will work with the Service Manager to put the correct process in place.

Adding late hours during the week will also help customer satisfaction. We already have an evening pick-up & drop-off program. I believe we can really take advantage of express service during these hours. This will give us an edge on our competitors & earn additional business.

The most important thing we need is to keep open lines of communication. When things are going well, it is easy to lose sight of the importance of meetings. Keeping all facets of our Fixed Operations on the same page is of the utmost importance. Regular meetings will ensure that.

If we implement these changes we can continue our current success & have another record year in 2019. I know there will be challenges getting everyone to buy in. That being said I am excited to take on those challenges as General Manager.

Tool Room



Tool Room



