

Gwinnett place Honda Service Department performance for June 2018

Gwinnett Place Honda service performance and recommendations for improvements for June 2018.

Facility performance

Number of Bays	48
	x
Number of Days	26
	x
Number of Hours	12
	x
Effective Labor Rate	84.89
	<i>equals</i>
FACILITY POTENTIAL	\$ 1,271,313

	FACILITY UTILIZATION
Total Labor Sales	\$ 659,721
	÷
Facility Potential	\$ 1,271,313
	<i>equals</i>
FACILITY UTILIZATION	51.89%

Recommendation for improvements: Focus on improving competitive and maintenance service work to get most out of the facility to maximize potential.

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Technician production

Performance	Labor Sales / Month	Hourly Labor Rate	Hours Billed
Customer Car*	\$ 411,798	÷ 76.55	= 5379.5
Customer Truck*	\$ -	÷	= 0.00
Customer Other*		÷	= 0.00
Warranty	\$ 63,870	÷ 124.33	= 513.7
Internal	\$ 184,053	÷ 98.00	= 1878.1
New Vehicle Prep		÷	= 0.00
Total	\$ 659,721		7771.3

POTENTIAL			
\$ 659,721	÷	7771.27	= \$ 84.89
Total labor sales for month		Total hours billed	Effective Labor Rate
37.00	x	8	x 26 = 7,696.0
# Service mechanical technicians		# Hours/Day	Working Days/Month Clock Hour Aval
7,696.0	x	\$ 84.89	= \$ 653,331
Clock Hours Available		Effective Labor Rate	Labor sales potential

How proficient are your technicians ?			
7,771.3	÷	7,696.00	= 100.98%
Hours Produced		Hours Available	Tech Proficiency

Recommendation for improvements: Monitor the work mix distributed to technicians compared to pay rate. This will help maximize the proficiency rate and get closer to guide of 120%.

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Cost of labor

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 411,798	\$ 321,304	78.02%	62.42%
Customer Truck			0%	0.00%
Customer Other			0%	0%
Warranty	\$ 63,870	\$ 54,447	85.25%	9.68%
Warranty Other			0%	0.00%
Internal	\$ 184,053	\$ 141,077	76.65%	27.90%
NVI / Road Ready			0%	0%
Adj. Cost Of Labor			0%	0.00%
Total	\$ 659,721	\$ 516,828	78.34%	100.00%

Expenses

Expense Category	Dollar Amount	% of Gross
Department Gross	\$ 614,658	
Variable Expense		0.00%
Selling Expense		0.00%
Personnel Expense	\$ 297,939	48.47%
Semi-Fixed Expense	\$ 70,248	11.43%
Fixed Expense	\$ 63,285	10.30%
Unallocated Expense		0.00%
Dealer's Salary		0.00%
Total Expenses	\$ 431,472	70.20%
Net Profit	\$ 183,186	29.80%

Recommendations for improvements: Cost of labor in line with guide of the 60% customer pay and 40% warranty and internal guidelines.

Expenses also in guide with nada guidelines of 80% expenses vs 20% net profit.

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Changes for production method not recommended, currently performing above nada guidelines for customer pay/warranty & internal.

Pay plans updates not needed at time, currently performing above nada guidelines for net profit/expenses.