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# FIXED OPERATIONS 2 SERVICE HOMEWORK

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WINDWARD FORD HAWAII  
AMARJIT MUHAR

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# A: ADVERTISING

Monthly email blast with specials through constant contact.

Print ad's in the local newspaper 2x per week with specials.

Monthly bulk mailer stressing we service all makes and models along with coupons for Alignment check, LOF, and parts discounts.

## GILL

**AUTO GROUP**  
CHRYSLER DODGE  
JEEP RAM

1100 S. Madera Avenue, Madera, CA 93637  
Service: **559-674-5661**  
gillchryslerdodgejeepram.com

PSRT STD  
U.S. POSTAGE PAID  
HAYWARD, CA  
PERMIT NO. 533

**We Proudly Feature:**

- Certified Service
- Tire Price Match Guarantee
- Service and Repairs for ALL Makes & Models!

**SERVICE & PARTS HOURS:**  
Monday - Friday: 7:30am to 5:00pm | Saturday: 7:30am to 2:00pm

**WE SERVICE ALL MAKES & MODELS!**

LOCATED RIGHT OFF I-99!!

**WE ARE YOUR DESIGNATED RECALL SERVICE CENTER!**
**MOST RECALLS PERFORMED WHILE YOU WAIT!**

**LUBE, OIL & FILTER SERVICE**

**Includes:**

- 5 quarts motor oil
- Oil filter
- Inspect fluid levels, belts & hoses

**\$20<sup>00</sup> OFF**

Plus tax. Includes hazardous waste disposal fee. Please present coupon when service order is written. May not be combined with other coupons, discounts or advertised specials. WITH THIS COUPON • Expires 11/30/18

**ALIGNMENT CHECK**

**FREE**

**SAVE \$15 IF ALIGNMENT IS NEEDED!**

Plus tax. Please present coupon when service order is written. May not be combined with other coupons, discounts or advertised specials. WITH THIS COUPON • Expires 11/30/18

**BONUS BUCKS**

You Spend .....	You SAVE
\$100.00 - \$199.99 .....	<b>\$10</b>
\$200.00 - \$299.99 .....	<b>\$20</b>
\$300.00 - \$399.99 .....	<b>\$30</b>
\$400.00 - \$499.99 .....	<b>\$40</b>
\$500.00 or MORE .....	<b>\$50</b>

Plus tax. Please present coupon when service order is written. May not be combined with other coupons, discounts or advertised specials. WITH THIS COUPON • Expires 11/30/18

**SERVICE/PARTS OPEN SATURDAYS! Open from 7:30am - 2:00pm!**

# **Gill** AUTO GROUP

We are your **FACTORY DESIGNATED**

**GMC, Buick, Cadillac,  
Chrysler, Jeep, Ram & Dodge**

## **RECALL REPAIR CENTER**

**CALL OUR  
RECALL  
SPECIALIST  
TODAY!**

**(559) 674-5661**

**UNDER NEW  
MANAGEMENT**



**DAVID TURNER**  
SERVICE DIRECTOR



Gill Auto Group 1100 S. Madera Ave. | (559) 674-5661  
[www.GILLAUTOGROUPMADERA.com](http://www.GILLAUTOGROUPMADERA.com)

Monday - Friday 7:30 am to 5:30 pm, Saturday 7:30 am to 2:00 pm  
(We Service Most Makes and Models)

**GMC | BUICK | CADILLAC | CHRYSLER | DODGE | JEEP | RAM**

## A. Marketing

We are very competitive with local independent shops. We need to advertise more competitive maintenance specials online and local newspapers.

### Non-Dealer Competitive Maintenance Pricing Summary Survey

- This survey is designed for independent, or non-dealer stores.
- Make sure to include parts and labor.

Competitor Name	Lube, Oil & Filter	Rotate Tires	Balance Tires	Align Front End	Service A/C	Replace Front Disc Pads	Totals (Sum Rows)
Casey's Discount Auto	25 <sup>00</sup>	30 <sup>00</sup>	40 <sup>00</sup>		40 <sup>00</sup> Plus Front	80 <sup>00</sup> Pads Only	
Tony's Modern Auto Repair	45 <sup>00</sup>	10 <sup>00</sup>	32 <sup>00</sup>		69.95 Plus Front	165 <sup>00</sup> Pads Only	
Hi-Tech Automotive	55 <sup>00</sup>	15 <sup>00</sup>			39.95 Plus Front	120 <sup>00</sup> Pads Only	
Competitor Averages	41.67	18.34	35 <sup>00</sup>		49.98	121.67	
My Dealership	55 <sup>00</sup>	19.95	45 <sup>00</sup>	69.95	208 <sup>50</sup>	139 <sup>00</sup>	

## B. Facility (capacity, utilization) September 2018

FACILITY POTENTIAL	
Number of Bays	16
	x
Number of Days	19
	x
Number of Hours	8
	x
Effective Labor Rate	104.11
	<i>equals</i>
FACILITY POTENTIAL	\$ 253,196
FACILITY UTILIZATION	
Total Labor Sales	\$ 141,693
	÷
Facility Potential	\$ 253,196
	<i>equals</i>
FACILITY UTILIZATION	55.96%

We need to hire more Technicians and bring in more work because at this point we are only utilizing 56% of our facility. We did increase our door rate to \$139 from \$129. Also our warranty rate did increase from \$104 to \$ 135 for our Chrysler store. This should increase our Labor Sales.

## C. Technician Productivity. September 2018

### NADA ACTUAL SERVICE ANALYSIS

Performance

	Labor Sales / Month		Hourly Labor Rate		Hours Billed
Customer Car*	\$ 79,014	÷	129.00	=	639.0
Customer Truck*	\$ -	÷		=	0.00
Customer Other*	\$ -	÷	0.00	=	0.00
Warranty	\$ 48,922	÷	91.00	=	598.0
Internal	\$ 10,501	÷	129.00	=	124.0
New Vehicle Prep	\$ 3,256	÷	129.00	=	0.0
<b>Total</b>	<b>\$ 141,693</b>				<b>1361.0</b>

POTENTIAL

$$\frac{\$ 141,693}{\text{Total labor sales for month}} \div \frac{1361.00}{\text{Total hours billed}} = \frac{\$ 104.11}{\text{Effective Labor Rate}}$$

$$11.00 \times 8 \times 19 = 1,672.0$$

# Service mechanical technicians # Hours/Day Working Days/Month Clock Hour Avail

$$1,672.0 \times \$ 104.11 = \$ 174,071$$

Clock Hours Available Effective Labor Rate Labor sales potential

How proficient are your technicians ?

$$\frac{1,361.0}{\text{Hours Produced}} \div \frac{1,672.00}{\text{Hours Available}} = 81.40\%$$

Tech Proficiency

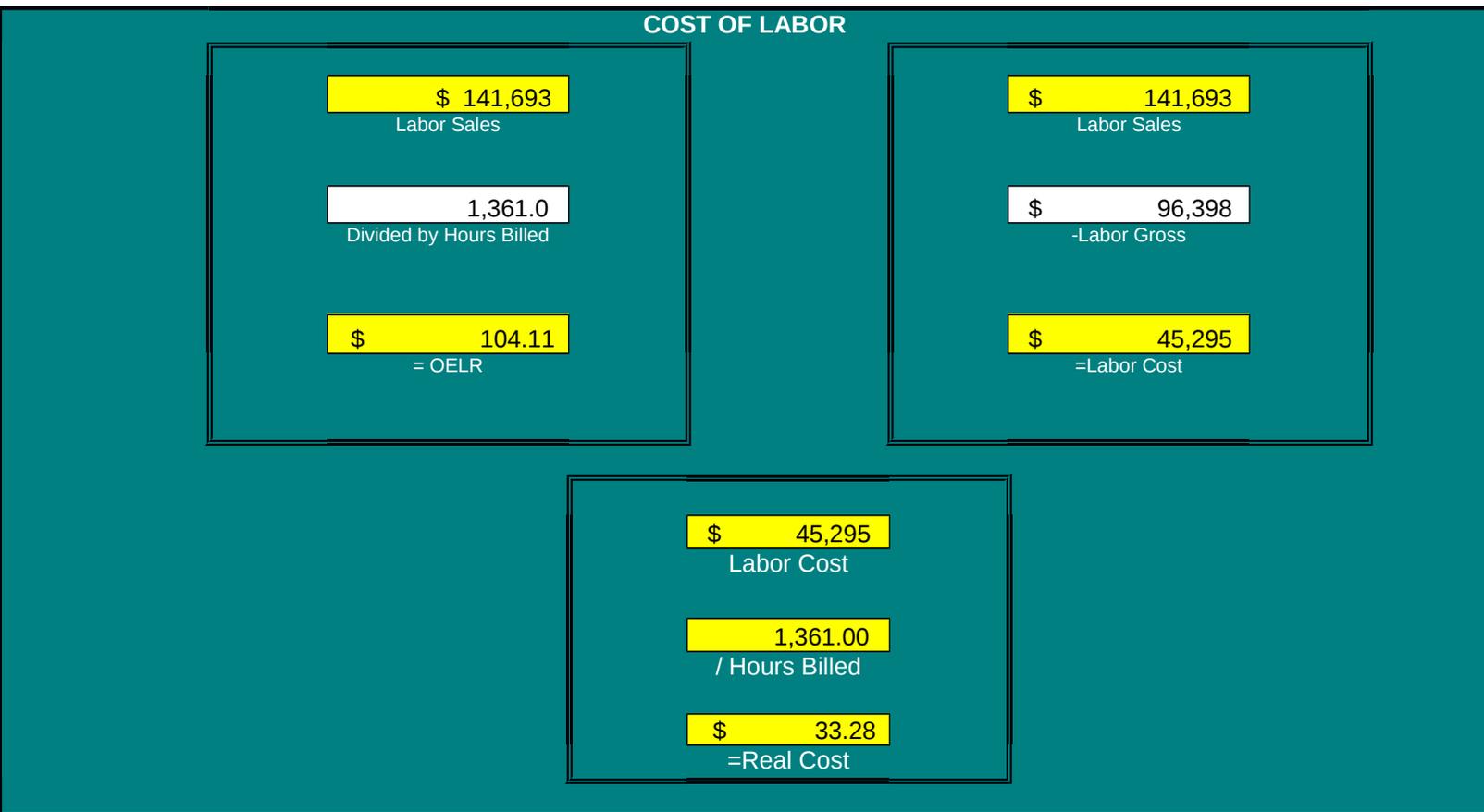
**Customer labor divide by the Customer Effective Labor rate from the R. O. Analysis**

Technician productivity is low at 81.40%. We need to have Technicians fill out inspection sheets on every job so Service Advisors can upsell. Print tech hours every day and let them know where they are for the week.

## E: PRODUCTION METHOD:

Our production method is conventional. The technicians work individually.

**F:  
COST  
OF  
LABOR:  
R:**



The cost of labor is high. We need to get Tech's to start producing more which will cut down on unproductive time. With the technicians being more proficient they will get jobs done faster which in turn will mean more gross sales.

# G: Changes in Expense Structure

Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 97,233		
Variable Expense	\$ -	0.00%	
Selling Expense	\$ 57,980	59.63%	
Personnel Expense		0.00%	
Semi-Fixed Expense		0.00%	
Fixed Expense	\$ 73,305	75.39%	
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	\$ 131,285	135.02%	
Net Profit	\$ (34,052)	-35.02%	

Our Expenses are in line. We need to generate more gross as we have the capacity to do so.

## H: PAY PLANS:

### Flat Rate Technician Pay plans:

#### AUTOMOTIVE TECHNICIAN COMPENSATION PROGRAM

DEALERSHIP:	GILL AUTO GROUP	EFFECTIVE DATE:	
TECHNICIAN ("Technician")			
REPORTS TO:	SERVICE MANAGER		

This Compensation Program is in effect between the Dealership and the Technician named above from the Effective Date, while Technician remains actively employed.

Technician's Compensation for a specific pay period is Technician's Base Hourly Rate (Pay Element 1) for all hours worked during the pay period plus any compensation earned under Elements 2 and 3, less any Advances.

The Dealership distributes paychecks on the 5<sup>th</sup> and the 20<sup>th</sup> of each month. If the scheduled day lands on a Saturday, you will be paid on the preceding business day. If the scheduled pay day lands on a Sunday or holiday, you will be paid on the following business day.

#### PAY ELEMENTS

##### Element 1: Base Hourly Rate

Technician shall be paid a base Hourly Rate ("BHR") of \$ 18.00 for each and every hour worked (clock hours), including productive and non-productive time, but excluding training time (see Element 3) during the applicable pay period.

##### Element 2: Hourly Production Bonus

The Dealership will pay Technician an Hourly Production Bonus ("HPB"), in addition to the BHR, for each hour actually worked by Technician (clock hours) based on the dollar amount that the Technician's Effective Hourly Rate ("TEHR") exceeds BHR. The TEHR is determined by multiplying the Flag Rate ("FR") times the Technician's Efficiency Factor ("TEF"). The Technician's FR is set at the discretion of the Dealership in the amount of \$ 31.00. Thus, the formula for calculating the HPB is as follows:

$$FR \text{ (Flag Rate)} \times TEF \text{ (Tech's Efficiency Factor)} - BHR \text{ (Base Hourly Rate)} = HPB \text{ (Hourly Production Bonus)}$$

For example, if the FR is \$31.00 and the TEF is 2.0, the TEHR is \$62.00 ( $\$31 \times 2.0 = \$62.00$ ). Because the Technician's BHR is \$18.00 per hour, the Technician will receive the HPB in the amount of \$44.00 per hour worked in addition to the BHR.

### **Element 3: Training Hourly Rate**

Technician will be paid a Training Rate of **\$ 31.00** for each hour attending approved training courses, in lieu of the regular BHR.

### **ADJUSTMENTS TO FLAG HOURS PRODUCED, CALCULATIONS, ADVANCES AND/OR WAGES**

The Technician agrees that Flag Hours Produced, TEHR, efficiency, TFHR, calculations, Advances and/or wages may be adjusted at any time, (1) to correct any error in the calculation, whether that error is the result of miscalculations by the Company, the Service Department Manager, any Technician or any other person; (2) if any Closed Repair Order is subsequently determined not to have been a Closed Repair Order; (3) if a Closed Repair Order is rescinded, reversed, or otherwise reimbursed to the customer or charged back by the factory or warranty (including extended service contracts) provider for any reason; or, (4) for come-backs (Technicians are not paid on come-backs), (5) Compensation to personnel who perform a portion of the Closed Repair Order; and/or, (6) good-will adjustments made to obtain and maintain the Repair Order as a Closed Repair Order. Any such adjustment resulting in decreased amounts will be treated as an Advance on wages and will be deducted from a subsequent check and/or reconciled, as defined below. Any such adjustment resulting in increased compensation will be paid on the next payday.

### **ADVANCES AGAINST FUTURE EARNED WAGES**

All payments, with the exception of the BHR, made to the Technician on Repair Orders are considered Advances against future earned wages and are subject to chargeback upon audit or any adjustment by the Dealership, Manufacturer and/or warranty provider. Such chargebacks will be deducted from future earned Pay Elements, with the exception of the BHR. The Technician acknowledges that such Advances are for the Technician's benefit and authorizes such deductions. Any overpaid Advances against future earned wages must be returned by the Technician upon the Technician's separation from the Dealership and by signing below the Technician agrees that a deduction from his/her final wages shall be made.

### **CLOSED REPAIR ORDER**

No Pay Elements under Element 2 will be earned until the Repair Order becomes a "Closed Repair Order." A Repair Order is not "closed" until the vehicle has been delivered to the customer and the Dealership has been paid in full on the transaction and all related paperwork is properly completed and approved for payment by the Customer, Manufacturer and/or warranty provider, subject to adjustment as outlined above. The Technician must be employed at the time the Repair Order becomes a Closed Repair Order for the Flag Hours or payments on any Repair Order to be "Earned," regardless of the work done or the fact that he/she was employed when the Repair Order was written or completed and must not be subject to reduction in price or returned by the Customer or the Manufacturer or Warranty Provider within the time frame for returns, audit adjustments and/or customer goodwill, etc.

### **FLAG HOURS PRODUCED**

Flag Hours produced shall be defined as the number of Flag Hours which are credited in the sole discretion of the Dealership and/or the Manufacturer (or warranty or extended service contract provider) on Closed Repair Orders and the repair and/or service was performed correctly to complete the desired repair and/or service. Repairs and/or service that are not properly completed according to industry standards and/or the Dealership/Manufacturer

guidelines are not considered Flag Hours produced and do not qualify as earned wages and/or Flag Hours Produced, whether or not the Technician has been paid for the work as an Advance or otherwise. Such Flag Hours and/or payments which are paid but are not Flag Hours Produced on Closed Repair Orders are considered an Advance on future possible wages. The number of Flag Hours for each particular task, service and/or repair are determined in the sole discretion of the manufacturer, the warranty provider, the after-market service contract provider, third-party repair guide and/or the Dealership, as the case may be. Those times are available from each provider and may be obtained by the Technician either before, during and/or after the service/repair is performed.

**Technician will not be credited for Flag Hours Produced for the purpose of bonus calculations (Elements 2) for flag hours performed on come-back work Technician originally performed and for which Technician was paid.**

### **ATTENDANCE DOCUMENTATION**

The Technician is required by federal and state law and by this Dealership to keep an accurate record of all the hours worked each day. Hours worked in excess of your scheduled hours require approval in advance by your Supervisor. Failure to comply with this requirement can result in discipline up to and including termination.

### **MEAL BREAKS AND REST PERIODS**

All Technicians who work five or more hours in a day are required to take a thirty-minute meal break. All meal breaks must be at least 30 minutes, uninterrupted, during which Technician will be relieved of all duties and free from the control of the Company. Technician is not expected to respond to work-related telephone calls, sales opportunities or other communications (email, text messages, pages, etc.) during your meal breaks, and are not encouraged or permitted to perform work duties of any kind during a meal break. Technician is permitted to leave Company premises during meal breaks. A second thirty minute break is required for Technicians who work more than ten hours in a day. The first thirty minute meal break must be started no later than the end of the Technician's fifth hour of work, and the second thirty minute meal break (if applicable) must be started no later than the end of the Technician's 10th hour of work. Certain exceptions to these rules exist based on the number of hours worked and/or the nature of the Technician's duties, but application of these exceptions is uncommon, and Technician must have written authorization from the General Manager if Technician will be taking an on-the-job meal break or will not be taking a meal break. Technicians taking their meal breaks must record their time on their timesheets when they begin and end their meal periods.

In addition, the Company also provides Technician a rest period of ten (10) minutes "net" rest time per four (4) hours worked, or major fraction thereof, and which insofar as practicable shall be in the middle of each work period. However, the Company generally will not authorize a rest period for Technicians whose total daily work time is less than three and one-half (3½) hours. Thus, Technician will receive one 10 minute rest period for shifts from three and one-half (3½) hours to six (6) hours in length, two 10 minute rest periods for shifts of more than six (6) hours up to ten (10) hours in length, and three 10 minute rest periods for shifts of more than ten (10) hours up to fourteen (14) hours. If Technician works a shift longer than fourteen (14) hours Technician will be provided additional rest periods. In the context of an eight (8) hour shift, one rest break should fall on either side of the meal break. Rest periods are counted as hours worked, and thus, Technicians are not required to record their rest periods on their timesheets.

All missed meal or rest break periods are to be reported to Technician's supervisor immediately. Technicians understand that no supervisor and no policy and/or practice is permitted to do anything to incentivize Technician to forego, exert coercion against taking, impede, discourage, or dissuade any other Technician from taking meal and rest periods that are required by law. If any other Technician, including supervisors, attempts to incentivize Technician to forego, exerts coercion against Technician taking, or attempts to impede, discourage or dissuade

Technician in any way from taking a meal or rest period as described herein or required by law, Technician is to immediately notify the General Manager and/or the Human Resources Department. Authorized meal and rest periods cannot be used to shorten the workday or be accumulated for any other purpose. Additionally, rest periods may not be combined with a meal period.

#### **OVERTIME FOR TECHNICIANS**

Technician will be paid overtime in accordance with state and federal requirements.

#### **NOTICES AND CONFIRMATION OF AGREEMENT TO TERMS AND RECEIPT OF COPY**

Technician has read this Compensation Program in its entirety, and Technician has had an opportunity to discuss any questions with the General Manager of the Dealership. Technician understands how his/her compensation is calculated and, in addition, Technician understands the benchmarks that must be attained in order to receive payment for any of the Pay Elements. Technician must be employed at the time a Pay Element is earned and payable in order to be eligible to receive the Pay Element. A Pay Element is not earned and payable until the completion of the calculation date. No pro rata Pay Element will be paid for partial calculation periods or partial work completed regardless of whether Technician's employment was terminated voluntarily or involuntarily, except for BHR. Technician further acknowledges this Compensation Program is subject to review, after which it may be adjusted. Moreover, Technician acknowledges this Compensation Program DOES NOT constitute a contract of employment for other than to establish the terms of compensation.

This is the total Compensation Program and no further payments and/or compensation shall be anticipated or expected. This Compensation Program is not an employment contract and may be changed at the discretion of the Dealership. This Compensation Program supersedes and replaces any Compensation Program in place prior to the above Effective Date.

Technician understands that nothing in this Compensation Program creates or is intended to create a promise or representation of continued employment and that Technician's employment, position and compensation is for no definite period, regardless of payment of compensation. Technician has the right to terminate his/her employment at any time, with or without cause or notice, and the Dealership has a similar right. Notwithstanding anything to the contrary herein, Technician further understands that his/her status as an "at-will" employee may not be changed except through a writing specifically modifying the at-will and/or arbitration provision, which is signed by Technician and the President of the Dealership, and that "at-will" employment is the sole and entire agreement between the parties.

**Additionally, the Dealership and Technician understand and voluntarily agree that any disputes regarding the terms of this Compensation Program, Technician's employment, termination from employment (including claims of discrimination and/or harassment), or any other association with the Company that either of us might have against one another will be resolved exclusively in accordance with binding arbitration that Technician has executed or will execute, as the case may be, as part of a more comprehensive arbitration agreement with the Company. The arbitration proceedings shall be governed by the Federal Arbitration Act, and carried out in conformity with the procedures of the California Arbitration Act. Technician desires to take advantage of the benefits of arbitration and, being that this is a mutual agreement to arbitrate, understands that the Company and Technician give up the right to a trial by jury and instead will have our claims resolved by a retired California Superior Court Judge.**

Technician voluntarily agrees to be bound by all terms and conditions of this Compensation Program and Technician's Signature also acknowledges that he/she has received a copy of this Compensation Program signed by the Dealership representative and Technician.

*Agreed to:*

\_\_\_\_\_  
Technician Signature

\_\_\_\_\_  
Date

## **SERVICE ADVISOR PAY PLANS:**

### **GILL AUTO GROUP**

#### **SERVICE ADVISOR:**

Effective date:

**\$3200.00 Draw against commissions payable \$1600.00 on the 5<sup>th</sup> and \$1600.00 on the 20<sup>th</sup> of each month.**

6% of Individual Service and Parts Customer Pay, Warranty and Internals Gross Profit (less PDI). Minus any Customer discounts, Warranty Charge Backs and Customer comebacks.

Additional 1% of all the above if Individual's CSI score is at or above zone.

Total available is 7% of the Individual Service and Parts Gross profit generated from ADP Service Writer Sales report.

#### **Payment of Commissions and Bonuses:**

On the last day of the month, all Earned Commissions on Closed Sales will be totaled and the Service Advisor will receive a payroll check on the 10<sup>th</sup> day of the next month. This will be for the total of earned Commissions on Closed Sales for the month and any bonuses earned less any advance/draw.

#### **Other Sales Policies**

Dress Code - Professional apparel is required for both Men and Women Service consultants (i.e., dress shirt and neck tie with sport coat or optional suit, no leather jackets, windbreakers, or crew-neck sweaters) V-neck sweaters with neckties are allowed. Men shall not wear earrings, trendy type hats, mis-colored dyed hair, or wear their hair below the collar. Facial hair must be well groomed. No sandals are allowed for either men or women, no tattoos shall be visible. Women should dress accordingly: no tank tops, or revealing clothes of any kind, including mini skirts or tight fitting clothes. Professional apparel is mandatory at all times. If management deems apparel unfit for work, employee will be sent home for appropriate dress. If continued apparel is not deemed appropriate, action will be taken, up to and including termination. Please refer to our dress code policy in your Employee Handbook for additional information.

**NOTICE:**

I understand that there are no verbal promises or agreements by any employee or manager. All agreements **must** be in writing and acknowledged by both employee and department manager.

Commission plan does not create an employment contract for any term or period of time. Both the Dealership and the service consultant have the right to terminate the employment relationship at any time with or without cause or notice. I further understand that my status as an "at-will" employee may not be changed except in writing signed by the President of the Dealership.

**Additionally, I understand and voluntarily agree that any disputes regarding the terms of this pay plan, my employment, or my termination from employment (including claims of discrimination and/or harassment) will be resolved exclusively in accordance with binding arbitration governed by the Federal Arbitration Act, and carried out in conformity with the procedures of the California Arbitration Act. Although I understand that signing this arbitration agreement is not required as a condition of my employment, I desire to take advantage of the benefits of arbitration and understand that I give up the right to a trial by jury and instead will have my claims resolved by a retired California Superior Court Judge.**

**I further understand and voluntarily agree that this alternative dispute resolution program shall also cover claims of discrimination or harassment under Title VII of the Civil Rights Act of 1964, as amended.**

This compensation plan is subject to change at any time at the Dealer's discretion, with the exception of the at-will and arbitration provisions.

**Agreed to:**

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Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

## **SERVICE MANAGER PAY PLAN:**

\$5000.00 Salary payable \$2500.00 on the 5<sup>th</sup> and \$2500.00 on the 20<sup>th</sup> of each month.

PLUS

10 % of the Service and Parts Departments Combined Net Profit based on the Chrysler and GM Financial Statements page 5 Lines 37. Parts and Service net

Includes all chargebacks, write-offs and bad debt.

### **Payment of Commissions and Bonuses:**

On the last day of the month, all Earned Commissions on Closed Sales will be totaled and the Service Manager will receive a payroll check on the 10<sup>th</sup> day of the next month. This will be for the total of earned Commissions on Closed Sales for the month and any bonuses earned less any advance/draw.

### **Other Sales Policies**

Dress Code - Professional apparel is required for both Men and Women Service consultants (i.e., dress shirt and neck tie with sport coat or optional suit, no leather jackets, windbreakers, or crew-neck sweaters) V-neck sweaters with neckties are allowed. Men shall not wear earrings, trendy type hats, mis-colored dyed hair, or wear their hair below the collar. Facial hair must be well groomed. No sandals are allowed for either men or women, no tattoos shall be visible. Women should dress accordingly: no tank tops, or revealing clothes of any kind, including mini skirts or tight fitting clothes. Professional apparel is mandatory at all times. If management deems apparel unfit for work, employee will be sent home for appropriate dress. If continued apparel is not deemed appropriate, action will be taken, up to and including termination. Please refer to our dress code policy in your Employee Handbook for additional information.

**NOTICE:**

I understand that there are no verbal promises or agreements by any employee or manager. All agreements **must** be in writing and acknowledged by both employee and department manager.

Commission plan does not create an employment contract for any term or period of time. Both the Dealership and the service consultant have the right to terminate the employment relationship at any time with or without cause or notice. I further understand that my status as an "at-will" employee may not be changed except in writing signed by the President of the Dealership.

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This compensation plan is subject to change at any time at the Dealer's discretion, with the exception of the at-will and arbitration provisions.

**Agreed to:**

---

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

**I: PERFORMANCE PROGRAMS:**

We have Technician Monthly bonus programs which pay based on amount of labor gross generated:

**\$150.00 PER MONTH IF TECH PRODUCES \$12000 OR GREATER IN SALES.**

**\$250.00 PER MONTH IF TECH PRODUCES \$13000 OR GREATER IN SALES.**

**\$300.00 PER MONTH IF TECH PRODUCES \$14000 OR GREATER IN SALES.**

**\$350.00 PER MONTH IF TECH PRODUCES \$15000 OR GREATER IN SALES.**

**\$500.00 PER MONTH IF TECH PRODUCES \$17000 OR GREATER IN SALES.**

- BONUS CALCULATED IN RTH REPORT AS BOOKED RO'S PER MONTH.

**“ROLLING FOR DOLLARS”**

**\$ASR PARTS & LABOR**

**#DICE TO ROLL**

For every \$ 250.00 of the ASR over \$500.00 the technician receives 1 additional dice.

\$401-\$500	5
\$301-\$400	4
\$201-\$300	3
\$101-\$200	2
\$50-\$100	1

**PAY \$1.00 PER POINT ROLLED**

**CUSTOMER PARTS AND LABOR ONLY, CANNOT BE ASSOCIATED WITH CUSTOMER CONCERNS.**

**EXAMPLE: CUSTOMER BUYS A BRAKE SERVICE, ANYTHING TO DO WITH BRAKES IS NOT ASR. TECH NOTICES TIE ROD IS WORN OUT, HE NOTES IT ON THE INSPECTION AND ADVISOR SELLS IT. PARTS AND LABOR TOTALS \$138.00 TECH ROLLS 2 DICE. HE ROLLS A 6 HE GETS \$6.00.**

**BASED ON TOTAL PARTS AND LABOR SALES OF ADDED REPAIRS TO THE RO.**

**SUBLET, TAX AND SUPPLIES ARE NOT INCLUDED.**

## OBJECTIVES AND TRACKING:

Minimum 80% Prod.

Virgil	67.7%
Marino	31.2%
Eddie	49.1%
Carlos	65.8%
Leo	69.2%
Bobby	93.8%
Oscar	69.8%

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Minimum HPRO 18 ELR 125.00

Cassandra	1.49	133.80
Thomas	0.89	110.22
Mike	1.57	142.15

Tracking and objective board is updated every morning in the service managers office.

**TRACKING:** Service Mgr sends tracking email every morning to GM, Fixed Ops director and Parts Director.

Month of: October-18											
Gill Auto Group											
Technician Name	Tech #	Group	Day	Mon	Tue	Wed	Thu	Fri	Sat	Daily Goal	Monthly Total
Virg-FCA	59	Main Shop	Flagged Hours	51.5	70.6	85.3	50.2	29.4	20.6	40.0	307.6
			Clocked Hours	32.7	36.5	32.1	32.5	29.7	8.3	40.0	171.8
			ASR's							1.0	
			Productivity	157.5%	193.4%	265.7%	154.5%	99.0%	248.2%	100.0%	179.0%
Marino-FCA	114	Main Shop	Flagged Hours	20.0	38.8	17.6	24.1	33.0	2.0	40.0	135.5
			Clocked Hours	40.3	40.5	39.8	30.3	32.4	8.0	40.0	191.3
			ASR's							1.0	
			Productivity	49.6%	95.8%	44.2%	79.5%	101.9%	25.0%	100.0%	70.8%
Eddie-FCA	162	Main Shop	Flagged Hours	27.5	38.2	35.1	15.5	31.4	3.5	40.0	151.2
			Clocked Hours	37.4	34.2	31.6	28.8	22.9	8.5	40.0	163.4
			ASR's							1.0	
			Productivity	73.5%	111.7%	111.1%	53.8%	137.1%	41.2%	100.0%	92.5%
Carlos-FCA	239	Main Shop	Flagged Hours	64.1	32.4	21.4	25.4	15.5	32.8	55.0	191.6
			Clocked Hours	40.6	32.3	31.5	25.3	29.3	7.8	40.0	166.8
			ASR's								
			Productivity	157.9%	100.3%	67.9%	100.4%	52.9%	420.5%	137.5%	114.9%
Leo-FCA	245	Main Shop	Flagged Hours	20.1	38.0	34.8	48.2	49.2		40.0	190.3
			Clocked Hours	28.1	41.5	36.0	30.6	29.3		40.0	165.5
			ASR's							1.0	
			Productivity	71.5%	91.6%	96.7%	157.5%	167.9%		100.0%	115.0%
Bobbie-FCA	266	Main Shop	Flagged Hours	33.7	29.2	30.9	27.3	40.3	5.7	40.0	167.1
			Clocked Hours	41.2	38.5	42.4	32.8	32.9	8.7	40.0	196.5
			ASR's							1.0	
			Productivity	81.8%	75.8%	72.9%	83.2%	122.5%	65.5%	100.0%	85.0%
Oscar-FCA	215	Main Shop	Flagged Hours		30.5	32.4	29.4	32.5		40.0	124.8
			Clocked Hours		38.8	40.6	33.0	32.3		40.0	144.7
			ASR's							1.0	
			Productivity		78.6%	79.8%	89.1%	100.6%		100.0%	86.2%

<b>Main Shop</b>	<b>Flagged Hours</b>	216.9	277.7	257.5	220.1	231.3	64.6	N/A	1268.1
	<b>Clocked Hours</b>	220.3	262.3	254.0	213.3	208.8	41.3	N/A	1200.0
	<b>ASR's</b>							N/A	
	<b>Productivity</b>	98.5%	105.9%	101.4%	103.2%	110.8%	156.4%	N/A	105.7%
<b>UC</b>	<b>Flagged Hours</b>							N/A	
	<b>Clocked Hours</b>							N/A	
	<b>ASR's</b>							N/A	
	<b>Productivity</b>							N/A	
<b>Lube</b>	<b>Flagged Hours</b>							N/A	
	<b>Clocked Hours</b>							N/A	
	<b>ASR's</b>							N/A	
	<b>Productivity</b>							N/A	
<b>Total Shop</b>	<b>Flagged Hours</b>	216.9	277.7	257.5	220.1	231.3	64.6	N/A	1268.1
	<b>Clocked Hours</b>	220.3	262.3	254.0	213.3	208.8	41.3	N/A	1200.0
	<b>ASR's</b>							N/A	
	<b>Productivity</b>	98.5%	105.9%	101.4%	103.2%	110.8%	156.4%	N/A	105.7%

## J: LEVEL OF TRAINING:

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**FCA Performance Institute**  
**TECHNICIAN SKILL AREA COMPLETION LEVEL REPORT**

Program Year: 2018 / Data as of: 11/20/18  
 Sales Group Size: ALL  
 BC: E - CALIFORNIA / DOM: Northern CA / DIST: Central Valley

Date Printed: 11/20/2018

**Core**  
 Dealer: 60449 GII Chrysler Dodge Jeep Ram (CDTJ)

Name	SID	Pos Code	Eng Repair & Perf Area 1/5	Auto Trans Area 2	Driveline Area 3	Chassis Area 4	Elect & Body Systems Area 6	A/C Area 7	Diesel Area 10
Francisco Arellano Martinez	810438P	20	1	1	1	1	1	1	1
Gonzalo Caballero	800517N	20	1	1	1	1	1	2	1
Marino Giron	877665M	23	3	3	3	3	3	3	3
Brandon Hartney	870925J	20	0	0	0	0	0	0	0
Leonel Leon	809613P	23	1	1	1	1	1	1	1
Robert Mccaughen	821481R	23	8	8	8	8	8	8	8
Leonel Mendocza	894574P	20	1	1	1	1	1	1	1
Eduardo Ochoa Ugarte	825149N	23	2	1	3	3	1	3	2
Virgilio Casgado	896549B	23	3	3	3	3	3	3	3
Carlos Ramirez	860689H	23	3	3	3	3	3	3	3
Oscar Rubio	864825P	23	1	1	1	2	1	2	1

■ Level 3   
 ■ Level 2   
 ■ Level 1   
 ■ Level 0 or No Level

Notes: Report shows the max Level attained by the Technicians in a particular Skill Area.  
 Position Codes: 18-Shop Foreman, 23-Service Technician, 24-CAP Student, 28-AYES Student, 2C-CAP Instructor, 2D-AYES Instructor, 2U Lube Specialist, 28 New Vehicle Prep, 24-Body Shop Technician, 48-Body Shop Contractor, 79-Refinishing Technician and 85-Refinishing Contractor

Page: 1 of 2

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**FCA Performance Institute**  
**TECHNICIAN SKILL AREA COMPLETION LEVEL REPORT**

Program Year: 2018 / Data as of: 11/2018 Date Printed: 11/2/2018

Sales Group Size: ALL

BC: E - CALIFORNIA / DOM: Northern CA / DIST: Central Valley

Level 3 Level 2 Level 1 Level 0 or No Level

Notes: Report shows the max Level attained by the Technicians in a particular Skill Area.  
Position Codes 18-Shop Foreman, 23-Service Technician, 2A-CAP Student, 2B-AYES Student, 2C-CAP Instructor, 2D-AYES Instructor,  
20 Lube Specialist, 28 New Vehicle Prep, 24-Body Shop Technician, 48-Body Shop Contractor, 79-Refinishing Technician and 85-Refinishing Contractor

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### 2018 CJDR Core MINIMUM TECHNICAL TRAINING REQUIREMENTS

Dealer Code: 60449  
 Date: 11/01/2018  
 Number of days Dealer has been active: 3,132

TECHNICIAN TRAINING SUMMARY	
Minimum Number of Tech per Skill Area (RO)	Complete New Technology Courses by Required Date (Status through 5/31/2018)
Y	Y

Note: The "Y/N" status for "Minimum number of Tech per Skill Area (RO) reflect your completion in all 7 skill areas. See the Minimum Training Requirement level 2 and 3 section for details.

REPAIR ORDERS = 3,097	Minimum Training Requirement Level 2 and 3													
	1/8		2		3		4		6		7		10	
	LVL 2	LVL 3	LVL 2	LVL 3	LVL 2	LVL 3	LVL 2	LVL 3	LVL 2	LVL 3	LVL 2	LVL 3	LVL 2	LVL 3
<b>Minimum Requirement</b>	0	2	0	1	0	1	0	1	0	1	0	1	0	1
<b>Requirement Met</b>	1	3	0	3	0	4	1	4	0	3	1	4	1	3
<b>Standard Met</b>	Y													

Note1: If Level 3 Actual count in any Skill Area satisfies the requirements for Level 2 and 3 combined, then requirement for Level 2 and 3 are both Met.  
 Note2: Warranty repairs for Categories 1 – Engine and 8 – Engine Performance are based on the Technician's earned Levels in the combined Curriculum Skill Area 1/8 – Engine Repair and Performance  
 Included Position Codes: 18 - SHOP FOREMAN, 23 - SERVICE TECHNICIAN, 2A - CAP

#### Dealership Technician(s) Must Complete Required New Technology Courses

2018 Jeep Wrangler New Model Highlights (WBT) 0050508 (Required by 1/31/2018)	2019 Ram 1500 New Model Highlights (WBT) 0050608 (Required by 02/28/2018)	eTorque Systems (WBT) 0622508 (Required by 03/31/2018)	Gas Direct Injected Engine Operation (WBT) 0122008 (Required by 03/31/2018)	Wrangler Power Top (WBT) 0632908 (Required by 06/30/2018)	Gas Direct Injected Engine Diagnosis and Repair (ILT) 0122108 (Required by 09/30/2018)
Y	Y	Y	Y	Y	Y

Note(s):  
 At least one Technician must be trained in these New Technology courses.  
 Dealerships can have a single Technician or multiple Technicians complete the New Technology courses.  
 Refer to the Launch Training Report for Technician specific completions and eligibility.  
 If a Technician does not meet eligibility requirements for the update, requirement can be met by completing the corresponding Core Curriculum courses.  
 Included Position Codes: 18 - SHOP FOREMAN, 23 - SERVICE TECHNICIAN, 2A - CAP

■ Requirement Met    ■ Requirement Not Met

Minimum Technical Training Requirements 2018

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We are complaint to factory standards on Tech Training in all areas. The technician's continue to do hands on training at Chrysler training center in Sacramento CA.

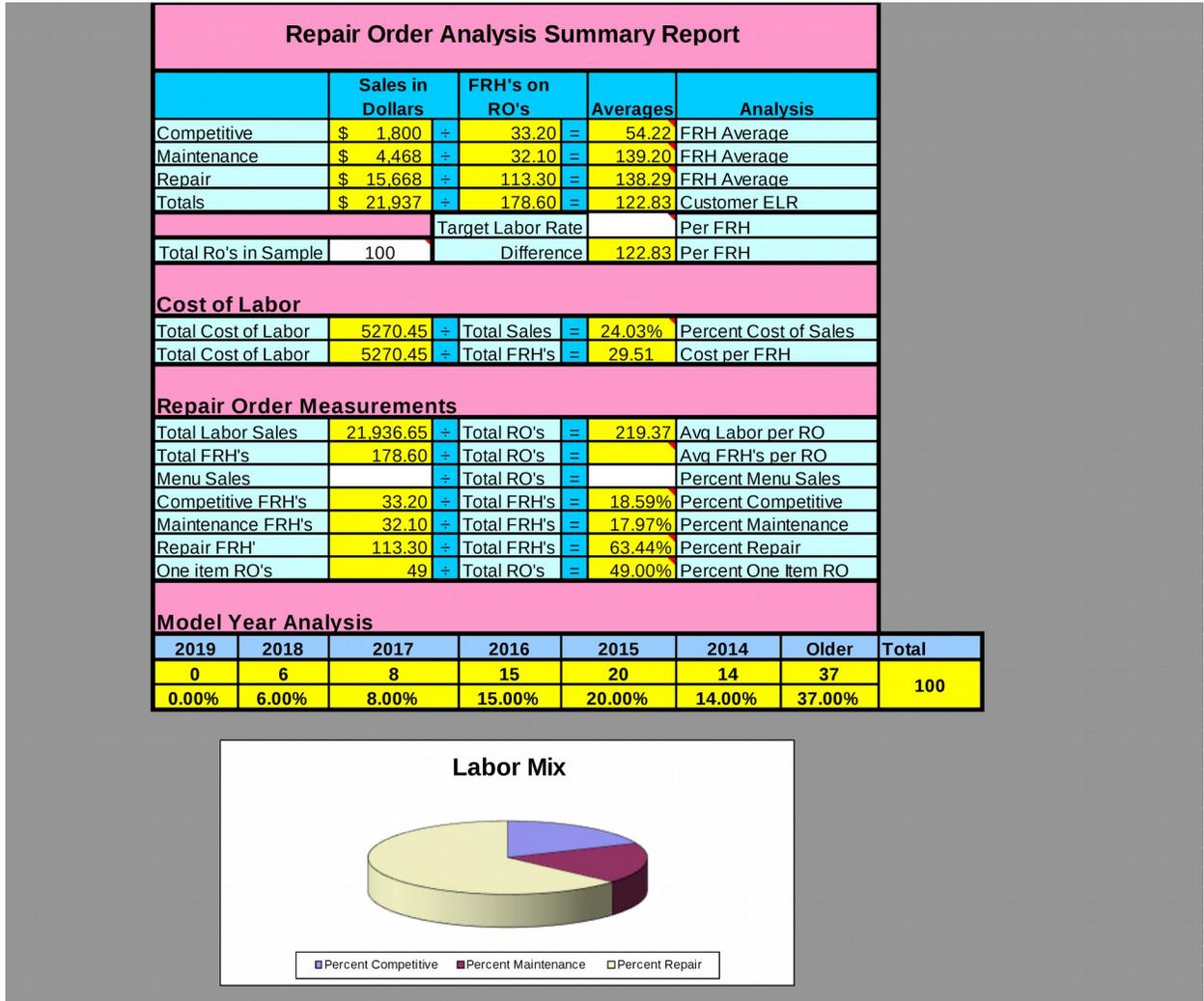
**K: SPECIAL TOOLS:** Special tools are semi-organized. They need to be fully organized.







## I: 100 REPAIR ORDER ANALYSIS:



**We have too many one- line repair orders almost 50% and industry standard is 5-10%.**

## M: SWOT ANALYSIS:

## STRENGTHS:

1. Technicians are experienced, talented and certified.
2. Management staff is experienced. Our fixed Ops Director has over 25 experience managing multiple dealerships. The Service Manager has over 25- year experience in domestic dealerships. The Parts director has over 30- year experience managing parts and service.
3. Progressive and generous pay plans that allow us to recruit and hire the most talented staff.
4. Dealership has invested in the most advanced technology tools to manage the entire service and parts process.
5. Dealership has great security system to monitor service and parts departments.
6. Staff Moral is great, the team is motivated and dedicated.
7. Recently received a \$35 increase in our warranty labor rate.
8. Facility is well Maintained and shop is climate controlled.
9. We have all required tools and special tools.
10. We have room and capacity to grow. Facility potential to increase labor sales by 82% (by number of bays available or currently under- utilized).
11. The General manager and owner are both very supporting and motivating.

## **WEAKNESSES:**

1. Service advisor HRS/RO and ELR are low.
2. No after service follow-up process for CSI.
3. Not tracking “deffered” services/repairs. No process in place to re-contact and resell.
4. No dedicated Fleet Service program in place.
5. Warranty RO submission is taking longer than the 3- day factory benchmark.
6. Service Advisor not consistently using Labor Matrix grid to improve ELR.
7. Not selling Tires and Batteries.
8. NO social media presence or Marketing for service and parts departments.
9. Service Advisor not greeting guest in the drive upon customer arrival. Most of the time do not perform a walk around with the customer present. They are missing opportunities to sell tires, batteries, belts and hoses.
10. NO in house loaner program.
11. Saturday service staff is under-staff and service is not utilized to its full potential.
12. Advisors do not keep customers updated through-out the service process.
13. Poor RO 3 C’s documentation by techs and advisors.

## **THREATS:**

1. We have same brand competitors in our market that are possibly better located and established.

2. Service Advisor not strictly adhering to B.A.R. Repair Order documentation requirements.
3. Certain repairs take too long and we are losing customers to competitors.
4. Need for qualified technicians and advisors is increasing while fewer and fewer are available in labor pool.
5. Losing technicians to competitors.
6. Repeat Repairs -Come Backs.
7. More independent shops opening in the area.

## **OPPORTUNITIES:**

1. Brand Market share is greatly increasing.
2. Community population is growing and more houses are being built around the dealership area along with more convenience stores.
3. Jobless rate and economy is improving in the area.
4. Very large number of VINS within our market area not currently servicing with us.
5. Increase tire and battery sales.
6. We need to have new owner clinics at least every other month.
7. Sold unit UIO is increasing in our immediate service area.
8. Large number of incomplete Recalls/Campaigns within our market area that we can immediately take advantage of to gain customer base.
9. Marketing campaign on social media to let customers know we are open Saturday's for service.
10. Extend Saturday service and parts hours. Also add second service advisor and certified tech to make it productive Saturday service.
11. More community involvement for parts and service staff.
12. Sponsor High school and local community college Auto Shop students as interns for experience. This will lead to more trained home- grown techs and advisors.

## **OBJECTIVES:**

1. Improve HPR to over 2.0, ELR = 80-85% of door rate.
2. Increase R.O. count by increasing service drive traffic.
3. Achieve full smart warranty status.
4. Increase R.O.'s written on Saturday service.
5. Schedule more appointments vs walk-in traffic.
6. Increase fleet service.
7. Shorten wait time on express lane service.
8. Establish social media presence.
9. Increase CSI scores.

### **STRATEGIES:**

1. Continue advertising for **we service all makes and models.**
2. One on one quick Tech meeting every morning.
3. Post non-dealer competitive pricing board.
4. Better location for express service.
5. Extend Saturday service hours to better serve customers.
6. Have BDC work phones on Saturday for reselling declined services.

### **TACTICS:**

1. Schedule meeting with Fixed Ops Director, GM, Service Manager and Parts Manager every 2 weeks. To discuss opportunities, strategies and tactics.
2. Service Manager will only be able to authorize labor and parts discounts except for coupons.
3. Implement bonus plans for technicians quarterly.
4. Service Manager and GM to meet twice weekly to go over tracking vs forecast.
5. Adjust technician schedules and advisor schedules to increase coverage on Saturday service to better serve customers needs.
6. Service Manager to review CSI surveys with advisors and tech's as they are received daily.

## ACTION PLAN

<b>TASK</b>	<b>BY WHOM</b>
<b>COMPLETION DATE</b>	
Update labor pricing matrix grid in CDK. 11/06/2018	Mike Leap
Increase Tire inventory 11/12/2018	Kirk Bigelow
Change Saturday Staff to 2 advisors/6 techs 12/01/2018	David Turner
Tech perform post repair road test to QC repair 11/15/2018	David Turner
Refresh/Re-implement Express Service Process 01/01/2019	David T/Mike Leap
Revise Advisor Pay plans to be California Complaint 12/31/2018	David T/Mike Leap
Install Heavy Duty Lift in the CDJR shop 12/31/2018	David T/Mike Leap
Install Tekion system 12/31/2018	Mike/Kirk/David
Accessa Reporting System 12/31/2018	Mike Leap
New Owner Clinic Monthly 03/01/2019	David Turner

**SYNOPSIS:**

We are almost at the end of 2018 with significant increase in service and parts Gross profit year over year. To continue with the growth we need to focus on better customer service and convenience. We need to refine our Express Lane Service process to trim wait times from 45 mins to under 30 mins or less.

The addition of Saturday service this year has increased our RO count but we have not seen growth in labor sales. We need to go to 2 advisors and 6 technicians on Saturday Service. This will start generating labor and parts sales and will be true 6<sup>th</sup> day gross generator for us instead of being expense Saturday.

Effectively immediately we are ramping up our tire inventory so we may compete for tire business. Service Advisors need to be trained to sell tires in the lane and that will start with them being in the lane when customers arrive. This way they will be able to point out to customers if tires are needed or not. With increase in tire inventory we should be able to increase gross profit by 5% which will mean additional \$10,000 in gross profit.

With the addition of service BDC this quarter we will generate more appointments daily. BDC representatives will also be trained to resell declined services which will recover lost gross at the time of the first visit. BDC will also make CSI calls to ensure that customer's are fully satisfied.

With this being the social media age, we are not currently present on any type of social media platform for parts and service. We will hire a outside vendor or look for ways to be on social media with our current staff.

With the addition of new processes implemented recently our gross sales have gone up significantly. Looking into the new year 2019 we will have successful growth.



