

Service Department Analysis
for D-Patrick Ford

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Class N337-04

Strengths

- 1) Teamwork among employees
- 2) Open door policy with management
- 3) Clean shop
- 4) Good and new equipment
- 5) Good work environment
- 6) Good employees
- 7) Flexibility to do different types of work
- 8) Senior trained employees
- 9) Replaced incompetent employees
- 10) Managers who care
- 12) Dealer willing to invest money in employee training and equipment
- 13) Service advisor experience
- 14) Technicians with good work ethic
- 15) New facility
- 16) Great location of facility
- 17) Great product offering (Ford/Lincoln)
- 18) Large facility

Weaknesses

- 1) Lack of communication between technicians and advisors
 - Need more info on repair orders
- 2) Lack of people willing/able to ride with customers experiencing noise/vibration problems
- 3) Several entry level employees
- 4) Few paid holiday's
- 5) New building is too small to meet market needs
- 6) Lack of certified technician's to get through larger work
- 7) Too many customer comebacks
- 8) Poor scheduling of work
- 9) Little flexibility in technician schedules
- 10) No retention program for dedicated employees
- 11) No rewards program for upselling services
- 12) One of the highest labor rates in the area and only average technician pay
- 13) Dispatching of tickets needs improvement
- 14) Lube tech's manage time poorly
- 15) Poor layout of lifts
- 16) No storage space
- 17) Poor maintenance of shop (trash, rags, oil drums, and floor)
- 18) Poor greeting of customers
- 19) Poor advisor phone skills
- 20) Poor upselling of services
- 21) Poor product knowledge

Opportunities

- 1) Advance technician training
- 2) Hire book keeper to look up labor ops and book tickets
- 3) Provide more bonus opportunities
- 4) Provide pay raises
- 5) Ability to work at different D-Patrick locations
- 6) Provide all technicians with remote controls for overhead door
- 7) Allow customers to be escorted into shop to view vehicles
- 8) Salespeople should wear name tags, so service personnel remembers them
- 9) Move smoking area (in the way of tire machines)
- 10) Force salespeople to not use technician bathrooms
- 11) Need more brake clean stations, so tech's don't have to walk across shop as frequently
- 12) Need to upsell more work
- 13) Hire technicians with more experience
- 14) Getting through daily workload more efficiently
- 15) Need a computer station at every technician's work area
- 16) Need a couple more IDS laptops
- 17) Hand washing station needs more water pressure
- 18) Need better inventory control
- 19) Need equipment on preventative maintenance schedule
- 20) More service dept advertising.

Threats

- 1) Manufacturer issues with vehicles (example: swollen lugnuts)
- 2) Customer comebacks
- 3) Micromanagement
- 4) Scheduling too many waiters at one time
- 5) Rushing to repair vehicles and not repairing vehicle correctly
- 6) Competition trying to recruit top employees
- 7) Turnover
- 8) Not properly scheduling

Objectives

- 1) Get all technicians to become Ford master certified
- 2) Improve scheduling
- 3) Improve lube tech time management
- 4) Get through vehicle repairs faster
- 5) Be more thorough when working on vehicle (make sure everything is done right)
- 6) Increase upsales
- 7) Improve dispatching of repair orders
- 8) Improve advisor phone skills

Strategies

- 1) Require technicians to take two training courses each week to work towards certifications
- 2) Monitor work load in shop each day. Increase appointments if there's not enough work. Decrease appointments if there's too much work.
- 3) Require lube tech's to turn 30 hours per week, and create incentives for them to turn the most hours out of the lube tech's
- 4) Ask flat rate technicians to work one or two Saturday's per month to get caught up on work overflow.
- 5) After the repair of a vehicle is completed have the shop foreman inspect it before we return vehicle to customer.
- 6) Pay lube tech's 10% of labor on any repair that they upsell. Have shop foreman confirm that work needs to be sold.
- 7) Hire dispatching assistant to pull vehicles in and out of shop, so dispatcher is available at all times.
- 8) Have advisor stay after hours one day per week to review calls and work on phone skills.

Tactics

- 1) The technician's must bring the parts and service director copies of two completed course certifications each week.
- 2) If parts and service director notices that technician's don't have enough work to do during working hours or have a surplus of work that they cannot complete within the week, the manager will ask the service advisors to schedule a certain amount of appointments for the next available day.
- 3) Pull turned hours report each week. If a lube tech didn't turn 30 hours, he will receive a strike, once he reaches 3 strikes in 3 months, he's fired. The lube tech that turns the most hours in the prior week receives a \$10 gift card.
- 4) Monitor time cards of when flat rate technician's clock in on Saturday. If they don't clock in on a Saturday for the entire month to get caught up on work, they get a pay cut.
- 5) Shop foreman will review the repair that was done to vehicle and make sure nothing was left loose, that there are no leaks, and that it drives well around the block.
- 6) If lube tech thinks they notice a potential repair, they get a second opinion from the shop foreman. If the shop foreman confirms that it is a repair, the advisor calls the customer and attempts to sell the repair. If the customer accepts, the lube tech who originally found the repair receives 10% of the labor sold on the repair.
- 7) Each time vehicle is ready to be repaired assistant drives vehicle into shop. Once repair is completed on vehicle, assistant drives vehicle out of the shop.
- 8) Service manager will stay 30 minutes - 1 hour after shop closes to meet with different advisor each day to review a phone call that needs to be improved

Action Plan

| <u>Task</u> | <u>By Whom</u> | <u>Completion Date</u> |
|---|-----------------------|-------------------------------|
| Receive certificate of completion for two technician courses every Monday | Parts & Service Mgr | Every Monday |
| Monitor work load in shop and compare to upcoming appointments | Service Lane Mgr | Every Day |
| Print out lube tech turned hours each week | Parts & Service Mgr | Each Week |
| Review technician time punches | Parts & Service Mgr | Each Week |
| Review each repair that is over \$500 of parts and labor cost | Shop Foreman | Every Day |
| Review potential upsale opportunities with lube technicians | Shop Foreman | Every Day |
| Pull vehicles in and out of shop | Shop Assistant | Every Day |
| Review call that can be improved | Service Lane Mgr | Every Day, except Friday |

Synopsis

It is evident that having a lack of certified technician's is making it difficult for the service department to complete warranty repairs in a timely manner. In addition, poor scheduling is piling more work onto the work that technicians already cannot complete in a timely manner.

Incentivizing technicians to complete two courses (toward their certifications) per week by providing a \$25 bonus will quickly get the technicians up to speed on their certifications. Obtaining these certifications will ultimately allow the service department to complete warranty repairs in a timely manner, and increase the amount of time to complete more repairs. This will ultimately increase the profitability of the service department. Additionally, increasing the amount of certified technicians will make it easier for service advisors to schedule work efficiently by having more technicians to choose from for various repairs.

The additional gross profit of the service department will allow us to increase technician flat rate pay, attracting talented technicians to the dealership.

Monitoring lube technician turned hours and providing gift cards to the lube technician that turns the most hours will make them more competitive in turning hours. Increased turned hours will increase technician proficiency, allowing the service department to schedule more oil changes and have more upsale opportunities and add more to the bottom line.

Having a second set of eyes review major repairs after they are completed, and incentivizing lube technicians to look for upsale opportunities will ensure that all potential repairs are being completed and being completed properly.

Also, hiring an assistant to help pull vehicles in and out of the shop will ensure that the dispatcher is available to communicate between the technicians and advisors more frequently, so errors occur less frequently. This will also improve the communication between the advisor and the customer, so that the customer has up to date and timely information on the status of their vehicle.

Ultimately, D-Patrick will have a surplus of certified technicians to complete all types of repairs, excellent customer service due to the increased level of communication, and superb quality control to ensure that all service work at D-Patrick is done the correct way.