

Service Department Analysis for Northtown Lexus
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Class N337

Strengths

- 1) We provide exceptional customer service.
- 2) There is long-term employee retention.
- 3) Our service manager is rated as one of the best service managers in the company and works well with employees and customers.
- 4) The service hours are the best in Buffalo, NY, which makes it super convenient for our customers. Additionally, we have offer drop off/pick up valet service, shuttle service, and have a large amount of complimentary loaner vehicles.
- 5) We provide assistance to our customers that may be out of warranty if they have a good service history with us.
- 6) Our technicians are all certified Lexus technicians and have all stayed on for many, many years as a Northtown employee.
- 7) The technology systems when the customer pulls into the drive are very advanced. Each customer is greeted by the screen with their name, appointment time, and their vehicle make and model. Additionally, a real, live, greeter opens their door for the customer and welcomes them to the dealership.
- 8) The customer waiting room is very comfortable and welcoming.
- 9) Our service advisors constantly beat their goals each month.

Weaknesses

- 1) We would benefit from more assistance in the service drive. Currently either our greeter or service advisors are pulling the vehicles around to park or pull into the shop. This is taking away time from them being where they are supposed to be. We should hire a lot man/ runner to pull cars around to elevate traffic in the drive.
- 2) There is little to no marketing for the service department. We need to do a better job at sharing our hours and letting our customers know that we service all makes and models, not just Lexus.
- 3) Our phone systems are poor. All service calls are filtered to our CDC/BDC call center, which ultimately frustrates the customer.
- 4) Scheduling is decent, but could use some work so that we are not overbooked.
- 5) We do not have any displays in our service drive (partly because I do not believe Lexus will allow it).
- 6) Our technicians' proficiency and efficiency rates should be higher.

Opportunities

- 1) We need to do a better job at educating our customers on all the services we offer and sell the value in it.
- 2) Work on expanding our market share.
- 3) Start marketing and be more aggressive with it on our social media platforms as well.
- 4) Install displays in the service drive.

Threats

- 1) Our competitors are getting better everyday, we need to stay ahead of them.
- 2) Competitors are advertising that they work on all makes and models and our targeting our customers.
- 3) We need to work on our service costs as some of it is higher than our competitors.
- 4) Technicians not being productive.

Objectives

- 1) Increase customer traffic in service department.
- 2) Motivate technicians to turn more hours.
- 3) Start tracking lost sales more effectively.
- 4) Instead of having weekly goals for service advisors, give them a daily goal of number of RO's they should be writing.
- 5) Improve morale in the service department.
- 6) Increase gross on customer pay RO.
- 7) Improve our phone systems and scheduling.
- 8) Develop strategic marketing plan.

Strategies

- 1) Create a new scheduling system that upholds our customer's high standards.
- 2) Increase technicians' proficiency and efficiency by having daily goals of hours they need to turn.
- 3) Start aggressively working on all makes and models to create more service department traffic and to assist the technicians with getting more work.
- 4) Work with major phone service companies to create a more effective and efficient calling service so that our customers do not become frustrated.
- 5) Mystery shop our competitor's service departments and find out what they are doing correctly that we may not be doing.
- 6) Add an extra employee to assist with the service drive.

Tactics

- 1) Advertise more effectively by promoting service specials in the paper, on our social media pages, website, and newspaper.
- 2) Create a new pay plan for technicians based on their hours turned and their productivity.
- 3) Add a bonus program for service advisors and technicians for when they produce more sales/hours than their monthly objectives require of them.
- 4) Require the director of parts and service operations to meet with the service manager weekly and then for dealer principle to meet with both of them at least once of month to track their growth and progress.
- 5) The only person who is allowed to authorize discounts in the service department is the manager.

Task

By Whom

Completion Date

Devise Marketing Plan	Marketing Department/ Service Manager	Weekly/ Monthly
Track Tech's Productivity	Service Manager	Daily
Install New Phone Process	IT/ Service Manager/ Dealer	November 22, 2018
Create Advisor/ Tech Bonus Program	Service Manager	Monthly
Weekly Meeting	Director of Service & Parts/ Service Manager	Weekly
Monthly Meeting	Director of Service & Parts/ Service Manager/ Dealer	Monthly
Hire Lot Attendant for Drive	Service Manager	November 1, 2018
Create Scheduling System	IT/ Director of CDC/ Service Manager	November 22, 2018
Service Drive Displays	Service Manager/ Service Advisors	November 1, 2018

Synopsis

Although our service department is performing well and that most customers have pleasant experiences, there is room for more gross and improvement. There are a few simple changes and additions that we can implement to assist us in our growth.

First, we can gain more traffic in our service department by getting more aggressive with our marketing tactics. Currently we do not market our service department in an effective way. We only put our service deals on our websites. We need to start promoting our service department not only on our website, but also on our social media pages, radio, newspaper, and mailers. Additionally, we need to make it clear to our customers we service all makes and models, not just Lexus.

Second, we need to work harder on retaining our current customer base by delivering a high level of service. Our current phone system can easily become frustrating when the customer's phone call gets filtered to a call center instead of speaking to a service advisor. Each dealership, including this Lexus store should have their own individual call centers with service advisors readily available to assist customers on the phone. Also, we are using Shopwatch for our scheduling, which has been super faulty and not well maintained by their company. We should consider switching scheduling companies and look at what our competitors are using.

Lastly, we need to increase morale and enthusiasm among our service advisors and technicians. We can achieve this by offering them monthly bonuses. Each day and month everyone should have a certain objective that they need to hit. Technicians should have to hit a certain amount of hours for the month and advisors should have to write a certain amount of RO's. If both the technicians and advisors produce more than their objective, then we should give them a monthly bonus. This will motivate them to turn more hours and sell more services, which will ultimately increase gross in our service department.

