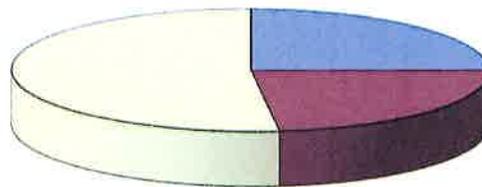


Service Department Analysis for EASTERN SHORE TOYOTA

**By Michael Swiderski (#12) and Bruce
Thomas (#41)**

Repair Order Analysis Summary Report							
	Sales in Dollars		FRH's on RO's		Averages	Analysis	
Competitive	\$ 2,623	÷	43.30	=	60.58	FRH Average	
Maintenance	\$ 2,533	÷	40.70	=	62.24	FRH Average	
Repair	\$ 6,783	÷	90.60	=	74.86	FRH Average	
Totals	\$ 11,939	÷	174.60	=	68.38	Customer ELR	
					Target Labor Rate	101.00	Per FRH
Total Ro's in Sample	100				Difference	-32.62	Per FRH
Cost of Labor							
Total Cost of Labor	3521.45	÷	Total Sales	=	29.50%	Percent Cost of Sales	
Total Cost of Labor	3521.45	÷	Total FRH's	=	20.17	Cost per FRH	
Repair Order Measurements							
Total Labor Sales	11,938.63	÷	Total RO's	=	119.39	Avg Labor per RO	
Total FRH's	174.60	÷	Total RO's	=	1.75	Avg FRH's per RO	
Menu Sales		÷	Total RO's	=		Percent Menu Sales	
Competitive FRH's	43.30	÷	Total FRH's	=	24.80%	Percent Competitive	
Maintenance FRH's	40.70	÷	Total FRH's	=	23.31%	Percent Maintenance	
Repair FRH'	90.60	÷	Total FRH's	=	51.89%	Percent Repair	
One item RO's	47	÷	Total RO's	=	47.00%	Percent One Item RO	
Model Year Analysis							
2018	2017	2016	2015	2014	2013	Older	
0	3	8	14	8	15	52	
0.00%	3.00%	8.00%	14.00%	8.00%	15.00%	52.00%	

Labor Mix



■ Percent Competitive ■ Percent Maintenance □ Percent Repair

A. Advertising

The service department at Eastern Shore Toyota has partnered with eLeads to do marketing campaigns. These campaigns will include telephone calls, as well as email service marketing. These campaigns are being used to target lost customers. These include customer who have not returned to the service department in 6, 9, and 12 months, as well as customers who purchased vehicles 6, 9, and 12 months prior but have not yet visited the service department. In addition, we have begun preparation to host quarterly new-owner clinics, as well as a "Heels and Wheels" event, where we will invite women from around the area so that we may introduce ourselves and provide them a non-threatening, non-intimidating environment to learn about our vehicles, their vehicles, and ask whatever questions they may have. Finally, we have begun attaching an in-house advertisement, shown below, to each customer copy repair order.



Thank you for your visit today. We hope that we have exceeded your expectations. We would like to remind you that we service all makes and models, so if you, or someone you know, owns a non-Toyota, please use this ticket for \$5 off of the first oil change service of that vehicle.

B. Marketing

The non-dealer survey follows this page.

OWNER BASE POTENTIAL				
9198	x	8	=	73,584.0
5 Year Owner Base		Annual Hours Purchased		Market Potential / Hours
73,584.0	x	\$65.27	=	\$4,802,953
Market Potential/ Hours		Effective Labor Rate		5 Yr. O.B Sales Potential
\$312,601	x	12	=	\$3,751,209
Avg. Mos. Labor Sales (excluding internal PDI and NVI)		Annualized		Current Labor Sales Trend
\$3,751,209	÷	\$4,802,953	=	78.10%
Labor Sales Trend		5 Yr. O.B. Sales Potential		Ouch

**Note: The industry average of 35% is very poor performance.*

COMPETITIVE MAINTENANCE PRICING SUMMARY* - NON DEALER

2012 Camry 4cyl syn Oil COMPETITOR	LUBE, OIL & FILTER	ROTATE FRONT/ REAR TIRES	BALANCE FRONT/ REAR TIRES	ALIGN FRONT END	SERVICE A/C	REPLACE FRONT DISC PADS
Goodyear Daphne AL (Chris)	\$69.95	Included LOF	\$69.95	\$89.95	\$145.00 1 lb of freon	\$179.95
Firestone Daphne AL (Toney)	\$59.21	\$20.00	\$47.96	\$79.95	\$39.95	\$129.95
Pep Boys Daphne AL (Rusty)	\$59.00	\$19.95	\$35.00	\$89.95	\$74.00	\$139.99
Parrish Tire & Service Daphne AL (Darren)	\$40.00	\$14.95	\$35.00	69.95	Have to inspect	Have to inspect
Jordon Automotive Daphne AL (George)	\$49.95	\$19.00	\$29.99	\$99.99	Have to Inspect	Have to inspect
Trax Tires Daphne AL (Joey)	\$54.95	Free with LOF	Free with LOF	\$79.99	\$115.96 1lb of freon	\$178.00
Lott Automotive Fairhope AL (Donnie)	\$44.00	Free with LOF	\$38.00	Inspect	Inspect	Inspect
TOTALS	\$377.06	\$73.90	\$211.75	\$508.91	\$374.95	\$627.93
AVERAGE	\$53.87	\$18.48	\$42.35	\$84.82	\$93.74	\$156.98
MY DEALERSHIP	\$44.95	\$19.95	\$29.95	\$79.95	\$110.00	\$179.95

C. Facility

FACILITY POTENTIAL		
Number of Bays	31	
	x	
Number of Days	25	
	x	
Number of Hours	12	
	x	
Effective Labor Rate	\$65.27	
	<i>equals</i>	
FACILITY POTENTIAL		\$607,027

FACILITY UTILIZATION		
Total Labor Sales	\$347,036	
	÷	
Facility Potential	\$607,027	
	<i>equals</i>	
FACILITY UTILIZATION		57.17%

D. Productivity

Performance

	<i>Labor Sales / Month</i>		<i>Hourly Labor Rate</i>		<i>Hours Billed</i>
Customer Car*	\$127,161	÷	68.38	=	1859.6
Customer Truck*	\$-	÷		=	0.00
Customer Other*	\$-	÷		=	0.00
Warranty	\$76,060	÷	99.00	=	768.3
Internal	\$119,937	÷	49.00	=	2447.7
New Vehicle Prep	\$23,878	÷	99.00	=	241.2
Total	\$347,036				5316.8

POTENTIAL

$$\frac{\$347,036}{5316.79} = \$65.27$$

Total labor sales for month Total hours billed Effective Labor Rate

$$30.00 \times 9 \times 20 = 5,400.0$$

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

$$5,400.0 \times \$65.27 = \$352,467$$

Clock Hours Available Effective Labor Rate Labor sales potential

How proficient are your technicians ?

$$\frac{5,316.8}{5,400.0} = 98.46\%$$

Hours Produced Hours Available Tech Proficiency

E. Production Method:

Eastern Shore Toyota currently runs a lateral support structure. There are two teams and an Express. Each team is comprised of three ASMs and one team leader, with five technicians on one team and six on the other. Each technician is assigned to his or her own stall, and all are flat rate. Express is comprised of three Express ASM's and eight technicians. There are three pits for Express that are manned by two techs at a time. These techs only perform express/basic competitive services. The techs on the Express team receive an hourly wage, as opposed to flag time.

F. Cost of Labor

Service Department Sales And Gross (Labor Only)

70% is guide

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$127,161	\$81,677	64.23%	36.64%
Customer Truck			0%	0.00%
Customer Other			0%	0.00%
Warranty	\$49,788	\$38,336	77.00%	14.35%
Warranty Other	\$26,272	\$19,689	74.94%	7.57%
Internal	\$119,937	\$89,867	74.93%	34.56%
NVI / Road Ready	\$23,878	\$22,730	95.19%	6.88%
Adj. Cost Of Labor			0%	0.00%
Total	\$347,036	\$252,299	72.70%	100.00%

G. Changes in Expense Structure

Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$252,299		
Variable Expense	\$55,569	22.03%	
Selling Expense	\$60,387	23.93%	45-50
Personnel Expense		0.00%	
Semi-Fixed Expense		0.00%	
Fixed Expense	\$87,102	34.52%	30
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	\$203,058	80.48%	80
Net Profit	\$49,241	19.52%	

H. Pay Plans

Service Manager

MONTHLY COMMISSION PLAN:

Employee will be paid 5.25% of monthly service, body shop, and parts department profit (page 2, line 31 of Toyota financial statement).

OPPORTUNITY BONUSES:

- Employee will be paid a monthly bonus based on total selling and operating expenses of the service department as a % of gross profit (page 3, line 30 of the Toyota financial statement), as follows:

48.01%-50.00% pays \$500	42.01%-44.00% pays \$1500
46.01%-48.00% pays \$750	40.01%-42.00% pays \$1750
44.01%-46.00% pays \$1000	00.00%-40.00% pays \$2000
- Employee will be paid a monthly bonus, based on average dollar per customer pay ticket, as follows:

\$150.00-\$154.99 pays \$500	\$165.00-\$169.99 pays \$1250
\$155.00-\$159.99 pays \$750	\$170.00-\$179.99 pays \$1500
\$160.00-\$164.99 pays \$1000	\$180.00- up pays \$1750
- Employee will be paid a monthly bonus, based on service retention, as posted by the SET Elite report:

26.00-26.99 pays \$500	30.00-32.99 pays \$1500
27.00-27.99 pays \$750	33.00-34.99 pays \$1750
28.00-28.99 pays \$1000	35.00- up pays \$2000
29.00-29.99 pays \$1250	
- Employee will be paid a quarterly bonus, based on the percentage of increased year over year customer pay labor for that quarter, as follows:

5% pays \$1500	9% pays \$3000
6% pays \$1800	10% pays \$3750
7% pays \$2400	

There will be a 5% increase of all bonuses, if CSI is above district for the month, but there will be a 10% reduction in bonuses if CSI is below district for the month.

ASSISTANT SERVICE MANAGER COMPENSATION

COMMISSION: Employee will be paid a base commission on individual sales, as follows. These figures are taken from the Advisor Daily Sales Summary on CDK:

- 8% of customer pay parts and labor sales, less discounts
- 4% of warranty pay parts and labor sales
- 2% of internal parts and labor sales

BONUS OPPORTUNITIES: Employee will have the ability to earn additional commissions, as follows:

- **Customer Pay hours per RO:** You can increase your percentage of customer pay parts and labor sales commission based on the average hours sold per customer pay ticket for the month:

1.50-1.59 hr/RO pays additional 0.5%	1.80-1.89 hr/RO pays additional 2.0%
1.60-1.69 hr/RO pays additional 1.0%	1.90-1.99 hr/RO pays additional 2.5%
1.70-1.79 hr/RO pays additional 1.5%	2.00+ hr/RO pays additional 3.0%

- **Monthly individual SPSI score:** You can increase your percentage of customer pay parts and labor sales commission based on your individual SPSI score for the **month** (rolling avg does not apply) :
Above District pays additional 1%

- **Customer Pay dollars per ticket:** You can increase your percentage of customer pay parts and labor sales commission based on the average customer pay dollars per ticket for the month:

180-194.99 per RO pays additional 0.5%	225-239.99 per RO pays additional 2.0%
195-209.99 per RO pays additional 1.0%	240 and up per RO pays additional 2.5%
210-224.99 per RO pays additional 1.5%	

TOP PRODUCER BONUS: Each month, the top producing advisor for the following categories will receive \$300 per category. Each category has a qualifier:

- Advisor that sells the most tires (minimum of 24)
- Advisor that sells the most alignments (minimum of 30)
- Advisor with the highest SPSI score (must be above Southeast average)

***** At the end of the month, employee will be charged a \$100 penalty for each of their open repair orders 30 days or older, unless approved by the service director.**

***** Any vehicle released to a customer without collecting full payment for repairs will solely be the responsibility of the service advisor. All uncollected monies will be deducted from the advisor's pay.**

I. Detail performance programs:

We have recently recreated pay plans for our advisors to reward them on where we, as a company, want to be. We are pushing customer pay hours per RO and customer pay dollars per ticket. We have also added a monthly bonus to sell tires and alignments. These are being tracked by our service manager and are to be communicated in weekly meetings held with advisors.

We are also currently working on creating pay plans for team leaders and techs based on proficiency, as well adjusting pay rates based on jobs. We've found that team leaders have been doing more basic jobs, such as rotations and balances, etc. at their rates.

J. Level of current training:

The following pages are printouts from SET Dealer Daily, which detail technician level of expertise, required classes to maintain their certifications, and requirements to advance. I've discussed, with the owner, creating an incentive for the service manager and team leaders to help push the younger, less experienced technicians into earning more certifications and advancing towards master status.

K. Special Tools:

While we received many complaints about the lack of tools on the SWOT analysis, I found that the tool areas were much more organized than anticipated.



Guild:

Toyota Certification Program
Dealer Certification Status Report
 Technician
 As Of Date: 05/25/2017 3:04PM

Region/District/Dealer	Current Certification Affected	Requirements to Maintain Certification	Requirements to Advance
50 Southeast District 5 01084 EASTERN SHORE TOYOTA			
4049 ALBERT, WILLIE	Not Certified		Complete M010A, M011A, P0709, P901A, T021Y
1962 BOATNER, KEVIN	Maintenance	Requirements Complete	Certified - Required for ALL AREAS Complete E0787, E0777, E0788, E0819, E0849, H610A, M213A, M512A, P901B, SC15A Complete TEN016D, TEN017A Certified - Engine Complete T6234 1 Required Course Certified - Drivetrain Complete T6234 1 Required Course Certified - Chassis Complete T6234 1 Required Course Certified - Electrical Complete T6234 1 Required Course
9265 BROWN, CORDERO	Expert	Certified - Engine Requirements Complete Certified - Drivetrain Requirements Complete Certified - Chassis Requirements Complete Expert - Electrical Requirements Complete	Expert - Engine Complete T1510, T874Y Complete ASEs A1, A8 Expert - Drivetrain Complete T2746, T3511 Complete ASEs A2, A3 Expert - Chassis Complete ASEs A4, A5 Expert - Hybrid Complete T071Y, T0723, T1510, T874Y Complete ASEs A1, A7, A8 Complete H013A, TEH515A Master 35 Months of Toyota Tenure Complete T071Y, T0723, T1510, T2746, T3511, T6738, T874Y, T973B, T973D Complete ASEs A1, A2, A3, A4, A5, A7, A8 Complete H013A, TEH515A
3978 CHAVEZ, RICARDO	Master	Requirements Complete	Complete ASE L1 Complete TIH516A Complete TTE17C
3650 CHESTANG, KEVIN	Maintenance	Requirements Complete	Certified - Required for ALL AREAS Complete E0787, E0777, E0788, E0819, E0849, H610A, M213A, M512A, P901B, SC15A Complete TEN016D, TEN017A Certified - Engine Complete T6234 1 Required Course Certified - Drivetrain Complete T6234 1 Required Course Certified - Chassis Complete T6234 1 Required Course Certified - Electrical Complete T6234 1 Required Course
3643 COOPER, JEFFREY	Certified	Certified - Chassis Requirements Complete	Certified - Engine 1 Required Course Certified - Drivetrain 1 Required Course Certified - Electrical 1 Required Course Expert - Chassis 16 Months of Toyota Tenure Complete T5537 Complete ASEs A4, A5
4927 EVANS, ANTONIO	Certified	Certified - Chassis Requirements Complete	Certified - Engine 1 Required Course Certified - Drivetrain 1 Required Course Certified - Electrical 1 Required Course Expert - Chassis 8 Months of Toyota Tenure

6466 FIALA, JEREMY 4589 FIELDS, JOHN	Master Diagnostic Maintenance	Requirements Complete Requirements Complete	Complete T5537 Complete ASEs A4, A5 Complete H511A, H610B, H611A, H611B N/A Certified - Required for ALL AREAS Complete TENO16D, TENO17A Certified - Engine Complete T6234 1 Required Course Certified - Drivetrain Complete T6234 1 Required Course Certified - Chassis Complete T6234 1 Required Course Certified - Electrical Complete T6234 1 Required Course
6098 GONZALEZ, ALFONSO 1955 GREEN, MORGAN 7319 HARRIS, WILLIAM	Not Certified Not Certified Maintenance	Requirements Complete	Complete M010A, M011A, P0709, P901A, T021Y Complete M011A Certified - Required for ALL AREAS Complete E0786, E0819, E0849, H610A, M213A, M512A, P901B, SC15A Complete TENO16D, TENO17A Certified - Engine Complete T6234 1 Required Course Certified - Drivetrain Complete T6234 1 Required Course Certified - Chassis Complete T6234 1 Required Course Certified - Electrical Complete T6234 1 Required Course
5580 HEDDEN, CALEB	Certified	Certified - Drivetrain Requirements Complete Certified - Chassis Requirements Complete Certified - Electrical Requirements Complete	Certified - Engine 1 Required Course Expert - Drivetrain Complete T2746, T3511 Complete ASEs A2, A3 Expert - Chassis Complete T4535 Complete ASEs A4, A5 Expert - Electrical Complete ASE A6
3658 HOMAN, DEREK	Maintenance	Requirements Complete	Certified - Required for ALL AREAS Complete E0767, E0777, E0768, E0819, E0849, H610A, M213A, M512A, P901B, SC15A Complete TENO16D, TENO17A Certified - Engine Complete T6234 1 Required Course Certified - Drivetrain Complete T6234 1 Required Course Certified - Chassis Complete T6234 1 Required Course Certified - Electrical Complete T6234 1 Required Course
9134 HUTCHESON, EDDIE	Certified	Certified - Electrical Requirements Complete	Certified - Engine 1 Required Course Certified - Drivetrain 1 Required Course Certified - Chassis 1 Required Course Expert - Electrical Complete ASE A6
8357 JARVIS, JOHN	Maintenance	Requirements Complete	Certified - Engine Complete T6234 1 Required Course Certified - Drivetrain Complete T6234 1 Required Course Certified - Chassis Complete T6234 1 Required Course Certified - Electrical Complete T6234 1 Required Course
3651 MERRILL, JARRED	Maintenance	Requirements Complete	Certified - Required for ALL AREAS Complete E0767, E0777, E0768, E0819, E0849, H610A, M213A, M512A, P901B, SC15A Complete TENO16D, TENO17A Certified - Engine

			Complete T6234 1 Required Course
			Certified - Drivetrain Complete T6234 1 Required Course
			Certified - Chassis Complete T6234 1 Required Course
			Certified - Electrical Complete T6234 1 Required Course
4392 MYERS, CHRIS	Expert	Certified - Electrical Requirements Complete	Expert - Electrical Complete ASE A6
		Expert - Engine ASE A8 Expires 12/2017	Expert - Hybrid Complete ASE A6
		Expert - Drivetrain ASE A3 Expires 12/2017	Master Complete ASE A6
		Expert - Chassis Requirements Complete	
1972 NIXON, KORWYN	Not Certified		Complete M010A, M011A, P0709, P901A, T021Y
5877 PAIZ, CALEB	Maintenance	Requirements Complete	Certified - Required for ALL AREAS Complete TEN016D, TEN017A
			Certified - Engine Complete T6234 1 Required Course
			Certified - Drivetrain Complete T6234 1 Required Course
			Certified - Chassis Complete T6234 1 Required Course
			Certified - Electrical Complete T6234 1 Required Course
4047 REES, DILLON	Expert	Certified - Chassis Requirements Complete	Certified - Engine 1 Required Course
		Expert - Electrical Requirements Complete	Certified - Drivetrain 1 Required Course
			Expert - Chassis Complete T4535
			Expert - Hybrid Complete T071Y, T0723, T1510, T852Y, T874Y Complete ASEs A1, A6 Complete H013A, TEH515A
			Master 28 Months of Toyota Tenure Complete T071Y, T0723, T1510, T2746, T3023, T3511, T4535, T6738, T852Y, T874Y, T973B, T973D Complete ASEs A1, A2, A3, A6 Complete H013A, TEH515A
4029 SAAFIR, WAARITH	Maintenance	Requirements Complete	Certified - Required for ALL AREAS Complete E0787, E0777, E0788, E0819, E0849, H610A, M213A, M512A, P901B, SC15A Complete TEN016D, TEN017A
			Certified - Engine Complete T6234 1 Required Course
			Certified - Drivetrain Complete T6234 1 Required Course
			Certified - Chassis Complete T6234 1 Required Course
			Certified - Electrical Complete T6234 1 Required Course
4499 STANTON, JASON	Expert	Certified - Engine Requirements Complete	Expert - Engine Complete T874Y Complete ASEs A1, A8
		Certified - Drivetrain Requirements Complete	Expert - Drivetrain Complete T3511 Complete ASEs A2, A3
		Certified - Chassis Requirements Complete	Expert - Chassis Complete ASEs A4, A5
		Expert - Electrical Requirements Complete	Expert - Hybrid Complete T071Y, T0723, T874Y Complete ASEs A1, A7, A8 Complete H013A, TEH515A
			Master Complete T071Y, T0723, T3511, T6738, T874Y, T973B, T973D Complete ASEs A1, A2, A3, A4, A5, A7, A8 Complete H013A, TEH515A
8753 STOUT, NOLAN	Not Certified		Complete M010A, M011A, P901A, T021Y
3671 TERRELL, VINCENT	Not Certified		On track to certify at month-end
3661 TUBBS, STEVEN	Maintenance	Requirements Complete	Certified - Required for ALL AREAS Complete E0777, E0788, E0849, H610A, M213A, M512A, P901B, SC15A Complete TEN016D, TEN017A

				<p>Certified - Engine Complete T6234 1 Required Course</p> <p>Certified - Drivetrain Complete T6234 1 Required Course</p> <p>Certified - Chassis Complete T6234 1 Required Course</p> <p>Certified - Electrical Complete T6234 1 Required Course</p>
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Qualitative Analysis

Strengths

1. Very large and loyal customer base. Retention is amongst the highest of all dealers in Southeast Toyota.
2. Equipment and machines are top of the line. The owner believes in being at the ahead of the curve when it comes to technology.
3. The shop is clean. The owner feels that every part of the dealership is a reflection of him, so he expects that everything, from the shop to the desks remain clean and orderly.
4. The shop is air conditioned. Summers can be sweltering in the deep south.
5. The service department maintains a full staff. While there are many times that it seems as if there are more people available than things to do, there is always someone available to assist a customer.
6. There is a great sense of team work within the service department. From the service concierge team to the advisors to the technicians, everyone understands that the needs of the customer come first.
7. Management team is good. There has been turnover at the service manager and fixed operations director positions at times, but it appears that we have someone that truly understands the needs of the customer, the employees and the company.

Weaknesses

1. Many felt service manager was not allowed to run the department.
2. Some employees feel as though they are unappreciated.
3. Appointments are not being scheduled properly.
4. Too many missing tools or broken tools.
5. Employees not showing up to work on time.
6. Too many or too long cigarette breaks.
7. Rules do not apply to all employees equally.
8. Shop work not being dispatched fairly or evenly.
9. Parts department doesn't have parts in stock.
10. Not enough opportunity for growth or promotion.
11. Employee opinions do not matter.

Opportunities

1. New software program should help us become more efficient and customer friendly if used by everyone and to its fullest.
2. Area is growing and the two nearest Toyota dealers are rapidly gaining a bad reputation for customer service.
3. Continuing to train and invest in employees will create better employee retention.
4. Increasing hours to mirror sales would provide more opportunity to service our customers.
5. Performing "New Owner clinics" will help with retention.
6. Performing female specific events will help with finding new customers.
7. Employee appreciation events will help with employee morale.
8. Creating a bonus structure that mirrors what we are trying to accomplish as a dealer will help the employees share in the success.
9. More training opportunities to build our own employees up and create a team of all-stars.

Threats

1. Many of the recalls that have been getting done, ie airbags, etc. are waning.
2. There are two other Toyota dealers within fifty miles, so there are constant threats from them.
3. Independent shops are open later and more hours from we are.
4. Reputation for being a "dealer" gives the perception that our prices are higher.
5. Wrong techs being dispatched jobs, so we are getting unnecessary comebacks, which can lead to a bad reputation.
6. Repairs and oil changes taking too long are leading to lower survey scores.

Objectives/Strategies/Tactics

Objectives

1. Improve gross on customer pay repair orders.
2. Improve employee morale.
3. Increased communication with staff.
4. Increase CSI.
5. Track lost sales.
6. Increase productivity, efficiency, and proficiency.
7. Improve dispatching process.
8. Have special tools available for use.

Strategies

1. Eliminate discounting by advisors and parts counter.
2. Analyze and evaluate labor prices for job types.
3. Increase door rate on repairs.
4. Reduce giving basic repairs/competitive work to master techs.
5. Weekly or monthly meetings with staff to discuss events, activity, and opportunities.
6. Using new software to update non-waiters on progress of repairs and to schedule appointments in a way that reduces the log-jams and the down times.
7. Putting notepad at parts counter so that techs can log all parts that were not available for immediate use.
8. Require technicians to be on time and have "wrench in hand" at start of each shift.
9. Scheduling and limiting cigarette breaks.
10. Use software to assign jobs to the correct technicians.
11. Use software to eliminate the service parts counter.
12. Use software and/or team leaders to dispatch work equitably.
13. Require tools to be added to repair order, and backed off when returned.
14. Purchase needed tools.

Tactics

1. All discounts must be approved by the service manager for labor and parts manager on parts.
2. Adjust parts price matrices, so that dealership can attain proper gross retention.
3. Adjust labor price matrices, so that dealership can attain proper gross retention.
4. Adjust pay plans so that flag rates are based on the job type.
5. Schedule meetings so that service manager and parts manager can discuss and track goals and objectives, recognize those employees that are doing well, and to give employees the opportunity to give feedback.
6. Contact software company to provide training and re-training for all aspects of this software so that we can maximize it to its fullest potential.
7. Daily meetings between service and parts manager to discuss lost sales notepad.
8. Dollar amount of override for team leaders will be based on efficiency of team.
9. Perform an inventory and needs analysis of tools for use in shop.

Action Plan

Task	By Whom	Completion Date
1. Shut off ability to discount by writers and countermen.	Service and parts manager	6/1/2017
2. Adjust parts matrices.	Parts manager	6/1/2017
3. Adjust labor matrices.	Service manager	6/1/2017
4. Adjust pay plans.	CFO/Svc manager	6/1/2017
5. Schedule meetings	Service and parts manager	Weekly
6. Contact software provider	Service manager	5/19/2017
7. Lost sales meeting	Service and parts manager	Daily
8. Tools analysis	Service mgr and team leaders	6/1/2017

Synopsis

It has become evident that there are many opportunities in our service department to grow and improve. Our first step is employee morale, which begins with creating a leadership team that gets the trust and respect of the employees. We relieved the fixed operations director of his duties, and are allowing our service and parts managers the ability to manage their individual departments as a team. We believe this will foster better communication between management and the employees. We will also organize employee appreciation events. Hopefully, this, along with creating and devising bonus plans that help us achieve success together, will allow the employees to understand that they are appreciated and extremely important to us.

With the implementation of software to help us streamline and better organize our appointment process, we hope to alleviate some of the chaos and confusion during peak hours, particularly in the express lane. We intend to increase evening hours as well, which should spread some of the appointments, as well as increase traffic.

By eliminating discounts and adjusting price matrices, we should see a fairly dramatic increase in gross, while having team leaders focusing on the efficiency of their teams, we should see an increase in sales as well.

Finally, we hope to hire more technicians and continue to train and push our current technicians to achieve master status. By creating more strong teams of technicians, advisors, and leaders, we hope to make it possible to give our employees more time away from work to spend time with their families. This balance of work and family should equate to happier, more productive employees.

We realize that these plans are only the stepping stone to having a parts and service department that creates raving fans. These raving fans are our customers AND our employees. And if there is one thing that we know to be an absolute fact, you will not achieve any growth, gross or profit without those raving fans.