

# Patterson Nissan

## Strengths

Patterson Nissan has been fortunate enough to prosper from having a great reputation within the community and has a lot of repeat customers from this.

We have plenty of RO's being written due to this. We also have a process where if the customer purchases an extended service contract from our dealership, they get 3 years of free oil changes so that brings customers back as well.

We have 3 master techs. Although that may cut a touch into profitability, we have the luxury of having plenty of knowledge in service.

We also have tenured advisors. Of the 4 Service writers we have, 3 of them have been with us over 5 years.

We operate out of the nicest service facility in town. With our dealership being built just last year, we can boast as to how we have the best technology and facilities.

## Weaknesses

Just like most dealerships, we have a big issue with communication with our customers. We have constant complaints about we haven't kept our customers updated.

We have a "bottleneck" problem. Because in the past we had never had an appointment process, we always had a rush of customers that came in at the same time. We couldn't spread the business out enough.

At the rate of growth we are experiencing, we do not have enough advisors. In order to give the customer better service we need more hands on deck.

We have CSI issues because of our lack of advisors. We rank 30 points below the region in our Service CSI.

We have a shortage of enough techs. While we have a good amount of master techs, we struggle with keeping B techs.

Our parts demand used to not be an issue. We have experienced a lot of issues with our OEM of parts being on backorder. And we're finding a lot of parts that used to be available in Dallas, TX (2 hrs away), are now coming from Tennessee.

## Opportunities

We have a big opportunity to make a lot more gross profit. Because we've had such a big problem with an abundance of customers, we haven't been able to give everyone the appropriate walk arounds and time they deserve. This definitely affects our bottom line.

With the increase of advisors, we also have a chance to improve our CSI. With it being low for so long. We have some ideas that could improve this immediately.

We haven't even begun to try to reach out to customers who aren't even attempting to use us yet because we can barely handle the service we have now. This is a huge area of opportunity.

## Threats

Local independent shops in town are open later than we are and have lower prices that we can't compete with in regards to tires and alignments.

Service staff can get overwhelmed and not treat every customer the same excellent level of service, thus causing the customer to not enjoy the time with us and not come back.

Inability to attract great technicians to work for us. Although we have a state of the art facility, we still struggle to find excellent B techs to stay with us.

## Objectives

Improve the gross profit month over month this year

Improve the gross profit on customer pay RO's. Stop giving things away

Increase the leadership capacity in service

Improve tech efficiency and productivity

Less 1 line Ros

## Strategies

Immediately add a service appt BDC

Change the culture to an appt culture and not "walk in"

Plan out the day better by scheduling evenly to reduce bottleneck effect

Incorporate an Ipad experience to save on paper and time

Go back to processes we've used in past that worked but somehow dropped. (Tread spec 100% of time, walk around etc)

Express advisors and Main shop advisors completely separated

Daily group huddles like in sales

## Tactics

Service manager needs to track gross profit numbers daily himself

Create a report to go over advisor's production daily and go over with them

Consider a change in pay plan to incentive a higher CSI score

GM have weekly meetings with service manager to track progress

When we're more comfortable with our processes. We can get our service appt BDC to start cold calling and attempt to grow business organically

## Synopsis

Overall our Service Department has continued to grow year over year. While it's hard to complain about this, I can't help but feel we have a big opportunity in service. After I brought a few ideas back from class, the team was excited to look into adding some processes. Adding a BDC service employee to help schedule and grow our business is going to be pivotal to our success. This will also help with our technician proficiency and service utilization. With the hiring of additional staff with advisors and techs we will be able to more easily accommodate our customers. Our service department has a lot to look forward to in our 2019. We hope to enjoy great profits and customer satisfaction to go with it.

