



Qualitative Analysis

Strengths

1. We have a Strong Service Director-He is very processed, and numbers driven and makes sure we capitalize on our hours available and hours sold. We have a very solid hire here in Jason Ashcroft and I expect our numbers to continue to grow YOY.
2. We have a solid Advisor Team. It consists of 2 very experienced Sales and Processed Advisors and 2 other New Advisors that are addicted to learning and understanding the techniques to drive results and hold high gross percentages.
3. Our BDC in service is about 2 years old and it consists of 2 young females who set on average about 600 Appointments per month for our Department. They are both very well versed on the phone with excellent communication skills and knowledge of our service process.
4. Our location is a strength, yet hard to get to off the highway-we do have hundreds of thousands a people of drive by each week and have been servicing Garland Tx, since 1925. Our visibility is excellent, and we have a very nice façade to our store-changing color lights on the entire building draws a lot of attention.
5. We feel we have a great set up for Perks and Services that accommodate Adults to Kids. With Complimentary WIFI, Kids Movie Room and Play Room, Loaner and Shuttle Services throughout the Metroplex as well as Free Vacuum and Car Wash with every Service. We are also very competitive with our pricing and price match guarantee such as Tires.
6. Our Technicians are very well seasoned and have incredible talent getting vehicles in and out and fixed right the first time. We have a lead shop foreman that makes sure the right jobs get to the right techs and out in the right amount of time. They are very well trained and make sure all ASE and Certifications are up to date.
7. Our Warranty Administrator has been with us for almost 1.5 years and makes sure our Warranty Claims are submitted, cleaned and paid in a timely manner. We typically are 15 days current with our claims-cycle time - 4 days.

8. Our time through the shop has dramatically decreased over the last 2 years. With the right jobs getting to the right techs, better parts availability and the quick service process having a complete overhaul around time, we have increased our CSI, our Sales and Gross and Retention Metrics.
9. We track our proficiency daily to ensure we are maximizing our days and hours available to us. This helps by having the right jobs with the right people so we were not wasting time on jobs that take longer than they should.



Qualitative Analysis

Weaknesses

1. We are very limited on square footage, recently we took down our detail shop wall to be able to expand our sq. ft and allow for another 2-post lift and a 4-post lift. We feel with the addition of another 2-3 techs, we will have enough space to make up for sq. ft that was not producing dollars for the department. With the addition of 1 more advisor as well more units in operation, this should increase production and gross to the department.
2. Right now, we have about 2 Techs per Advisor and we have about 1 Tech per 3 Stalls. We do a good job on handling the work load but when it gets busy, our times can get a little long. The addition of 2 more techs at minimum, we can really get some work through the shop and accommodate to any sort of overflow that may arise.
3. Unfortunately, I have been at the store 2 years and have been cursed with aging and unkept equipment that has been going down here recently. We have added a lot of new lifts for safety compliance as well to as show growth and commitment to our techs- however we are still needing certain equipment that will help us sell and grow as a department-yet very costly.
 - a. Tire Machine: \$24,000
 - b. Alignment Machine: \$60,000
 - c. 2 Post: \$6,000
 - d. 4 Post: \$11,000
4. Parts requests is hit or miss and it's a system that we rarely use and spend too much time at the parts counter which costs us a lot of time and money. Utilizing the parts request and potentially implementing a parts runner may allow our techs to stay on the job vs. having to waste time waiting for a part to be pulled.



Qualitative Analysis

Opportunities

1. Our 7-12 Retention metrics have grown over 80% which is the benchmark for PASE but we are continually trying to get over 85% for our 1st Service Visit. We are implementing a solid Sales to Service handoff process and 1st appt set to approve on accountability and comfort of coming into service for the first time. Our BDC Team works diligently to make sure all customers are reached out to using systems like: Conversica, Dealersocket, SSO Retention, Dealer Manifest List, etc....
 - a. Our 13-72 Mo metrics is a 65.9% which is right on the cusp of 67% where we need to be to be compliant with GM and max PASE Opportunity. We use many different incentives to try and reach this goal and make sure this stays in front of us daily. The lists are created each day and know exactly how many people and who we must attack
2. As we discussed in our Weaknesses, buying this new equipment such as the Tire Machine, the Alignment Machine and add a few new Lifts will not only give us the ability to sell more opportunities but also give our Advising team the confidence to upsell and confidently put more work through the shop.
3. Capitalizing 100% on our MPI process will allow us the ability to thoroughly inspect each vehicle the correct way and present any needs that a customer may have-and this must be done in a timely fashion (especially with waiters). The MPI is a tool that we can accurately upsell and present needs to customers to help keep their investments running strong on the road. All declined work automatically added into Reynolds and is carefully noted and followed up with Conversica on every declined Op Code. Email penetration is very important here-currently, we are at 81% capture rate and striving to get higher.
4. BG Sales is an area of extreme growth. We must get better at presenting our VMA consistently and understand thoroughly the reason behind the process and the product. A major part of our successes will come from SA Training and BG Sales Training. It is very important through repetition that we make sure all 4 advisors are adequately trained in these areas.
5. CP Sales have been a major contributor to our successes- in June of 2018, we increased our Door Rate to \$150/hr while still staying competitive in our

Market area. We recently received a Warranty Rate lift of \$10.15 so with these two major focus areas working strong together, we have an excellent opportunity for growth this year.



ACADEMY

Qualitative Analysis

Threats

1. We have considered adding Data Clover to attack the Non-OEM Competitors in our Market. We are heavily saturated with Competition in all Areas such as: Competitive Work, Maintenance and Repair. We must make sure we mystery shop the competitors and make sure our price but importantly our value surpassed our competition.
2. We have a very odd on/off ramp at our location which sometimes can be frustrating to customers especially if they have never been to our location in the past. We work hard to make sure directions are clearly spelled out during our calls and or emails to ensure any confusion or lost business.
3. Traffic is a nightmare in Dallas, and it is especially during the 7am-10am and 4pm-8pm timeframes. This at times, makes it difficult for a customer who may want to come for service but declines to go to an easier location or local competitor (Non-OEM). This is a challenge that we have overcome by picking vehicles up at work, at home, at the gym, at the golf clubs, etc.... We also are very adamant about the use of our shuttle hours and availability to ensure customers are not inconvenienced.
4. The future plans for construction on the Highways here on I-635 will be a nightmare once it hits so hopefully the NHTTA runs out of money, so they won't be able to complete.



ACADEMY

Qualitative Analysis

Action plan

<u>Task</u>	<u>by Whom</u>	<u>Start/Completion</u>
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Equipment/Facility

- | | | |
|--|--------------|-------|
| • Purchase 2/4 Post Lifts
1, 2019
o Expected Cost= \$17,000 | SD/GM/Dealer | March |
| • Purchase Alignment Machine
1, 2019
o Expected Cost= \$60,000 | SD/GM/Dealer | March |
| • Purchase Tire Machine
1, 2019
o Expected Cost= \$24,000 | SD/GM/Dealer | March |
| • Expand Sq. Ft- Take Down SVC Wall
Completed
o Cost=\$3,500 (Customer Exchanged \$3,500 in Services for Purchase Discount of New Vehicle) | SD/GM/Dealer | |

Personnel

- | | | |
|--|----------------------|--------------|
| • Hire 2-3 Technicians
2019
o Expected \$/Flag Hr. =\$25-\$30 | GM/Service Director | Mar 1, |
| • Hire 5 TH Advisor
1, 2019
o Expected Cost = \$2,500 Draw + Bonuses based on Performance | GM/ Service Director | June |
| • Hire a Parts Runner | GM/Service Director | June 1, 2019 |

- o Expected Cost= \$10-12/Hr. or Based on Flag Hrs. Produced by Techs

Training

- MPI Training-Advisors (Weekly) Service Director/SA Feb 1, 2019
- BG MVA Training (Bi-Weekly) Service Director/BG Rep Feb 1, 2019
- ASE Certification/GM Cert Technicians 12/31/2019
- Reynolds Parts Request Tool Service Director/Techs Feb 1, 2019
- BDC Training-Phones, Lead Training BDC Rep/Service Director Weekly

