

NADA Service Homework N341 - Raffi Aghamanoukian

Introduction:

- We currently have 6 full service dealerships within the group, one stand-alone service facility and one internal reconditioning center. All locations currently have long wait times (2-3 weeks) and therefore we need to find ways to decrease these and increase the overall customer experience

Advertising and Marketing:

- Advertise online, ensure offers are updated and changed regularly and update keywords in google to have a better presence
- All service shuttles are professionally lettered, cleaned daily and driven in a professional manner
- All staff members are dressed properly and identified
- Hold how to DIY service clinics; i.e. Check fluid levels, redelivery sessions so customers understand their cars and don't book unnecessary appointments ie: Most complaints are my doesn't work and most times it's because the salesperson never showed them how to use it properly
- Creative and easy ways to book appointments

Facility and hours

- Our utilization is significantly above guide however we have a 3 week wait at most stores and unfortunately our hours are 7:30 to 5pm at most locations and some are not open on Saturdays
- We need to open later, on weekends and review shift work possibilities, other options include two mechanics per car to increase efficiency

Productivity:

- NADA guide is 120% and we have a low of 98% all the way up to 108%.
- Need more consistency between the group
- Possible suggestions include: 1) Breakdown by tech and benchmarks within the store, 2) explore parts runners to techs 3) increase RO fill rates 4) Have parts ready day before appointments to ensure we have everything on hand

Production Method:

- Ensure all staff is on hand during busy times i.e.: 7:30 and at 5:00pm
- Increase on-line booking possibilities
- Training for customer facing staff
- Park service vehicles closer to workshop

Cost of Labor and Expense structure:

- Not allowed to share our cost structure however should note that 4 out of 7 locations are unionized, - need to get a better agreement in place which allows for shift work, apprentices, premier express, fast lube and dedicated lower paid techs for tires rotations
- Better allocation of expenses between departments

Pay Plans

- Cannot share our current pay plans

Performance Programs

- we do not offer any performance programs to our techs due to our union agreement however service advisors do have plans in place

Training

- All training completed through the MB portals and dedicated training center
- Focused on product knowledge and tech issues
- We are exploring an outside trainer for customer facing staff

Special Tools

- Most tool rooms are clean and well organized and others are very small and overcrowded
- Best Practice would be to have certain tools kept at Parts counter to increase efficiency and be able to identify when a replacement is needed

Repair RO Analysis

- Very little upselling occurring
- Most RO's focus on what the customer requested when dropping the vehicle off
- Service advisors need training on how to identify upsell opportunities
- Need to stop overbooking so we can focus on individual customer needs
- Cannot share numbers but here is the summary for my store

Model Year Analysis							
2020	2019	2018	2017	2016	2015	Older	Total
0	0	16	25	23	18	18	100
0.00%	0.00%	16.00%	25.00%	23.00%	18.00%	18.00%	

Swot Analysis - completed with other colleagues that are currently taking the NADA program

Strengths

Excellent customer rapport

Team atmosphere with driven and reliable team members

Work well under pressure

Motivation to do better

Weaknesses

Long wait time to get a service appointment (4 weeks or more during peak times)

Training is never a priority due to constant and relentless workload

Management are overwhelmed making them unapproachable

No relief, always jammed, constant barrage

Some Service Advisors are not fast enough

Lack of courtesy vehicles/shuttle drivers

Opportunities

Soft skills training required for front-line teams

Sales training required for Service Advisors

More organized method of work order distribution to Service Advisors would help alleviate customers wait time and allow for more time to be spent updating work orders

Improve courtesy car availability to allow for extended workshop hours including night/overnight shifts

Threats

Competitive non-corporate MB dealerships nearby with excess capacity and (arguably) better customer service due to additional staff

High lease penetration (70%) allows frustrated customers to switch to competitive brands (Audi, BMW) who may offer better level of service

Potential for employee defection due to lack of training and constant challenges with customer frustration

Risk of unionization movement

Proposed Actions

Soft skills training required for front-line teams

Sales training required for Service Advisors

More organized method of work order distribution to Service Advisors would help alleviate customers wait time and allow for more time to be spent updating work orders

Currently on 4x10 shifts, add night shift to further alleviate demand

Encourage customers (via BDC) to service at other corporate stores and/or to service at off-peak times (i.e.: drop off car at night, pick up in morning)

Improve courtesy car availability to allow for extended workshop hours including night/overnight shifts

Add car stackers/lifts to increase logistics space (no opportunity to expand footprint)

Synopsis

- We have relatively low performing workshops with dedicated employees
- We have a dedicated and loyal customer base who (up until now) have remained loyal to the Mercedes-Benz brand despite long wait times for service appointments
- We have significant gaps in staffing levels and training
- We need to increase capacity through extended hours and overnight shifts
- We need to increase staffing levels to provide a great customer experience