

In an effort to improve on existing processes and create further efficiency, below is an analysis of our dealerships service department along with suggestions for further improvement.

A survey was sent out to 10 staff members currently working in the service Dept. whereby they were asked to list the departments Strengths, Weaknesses, opportunity's and threats. 50 RO's were randomly picked and information gathered and compiled to provide a recap of some key measures and lastly numerous calculations were performed on the ATD's HD truck calculation excel sheet which provides further analysis of the Department.

Below is a list of areas with suggested changes.

Advertising / Merchandising / Marketing - The RO analysis showed the department was doing a good job of capturing a large percentage of competitive work and the ELR was very close to the projected rate, it was noted that the overall OEM mix was very low to off brands (less then 15%). One suggestion is to post a Menu board on the wall of the service department with a list of items priced out. This same list could be added to the company website to help make customer aware our dealership can perform competitive work on all makes of vehicles. The use of our dealerships Facebook page should also be used to promote and market the capabilities of our Service department.

Facility: Capacity, Utilization and limitations - From ATD truck calculation sheet it's noted that the building Capacity is low at 45%. While the technician proficiency is running around 100%. Provided that the work flow is consistent there is capacity for additional technicians. It would be suggested that if more technicians are added additional service advisors would be required as the current advisor level is at its max for Advisor to tech ratio.

Productivity - Productivity in all areas measures very well, but there's areas where staffing is stretched if further work load is added. One area for improvement is the back parts counter, a lot of idle technician time is spent waiting for parts. The addition of a parts runner would be a great asset to improve technician proficiency, increased parts sales and also limit mistakes that occur at the back parts counter.

Organization and production methods - Overall the current structure is functioning well. The position of dedicated Parts Manager has been added to the Burnside location at which both full line locations have structures that are mirror images of each other. The one suggestion would be to look at adding additional Service Advisors at each locations especially if the level of technicians is increased.

Cost of Labour and Gross Profit - The overall GP of service labour is in line, however the lowest % is from customer pay, compared to warranty and Internal. Also more than 60% of the volume of work comes from customer pay. Something to consider is to focus of the GP for customer pay work to fine tune and make small tweaks to help improve the GP for service work.

Pay Plans - Currently the existing pay plans are working fine. A new service dept. incentive plan was just introduced 3 months prior and seems to be working and

making improvements to Sales, GP, technician Productivity and Efficiency. One future adjustment to the incentive pay plan to consider is for the Service Advisor incentive based on sales, Hrs/RO or lines per RO.

Performance Enhancement plans - As mentioned above the recently introduced incentive plan is sufficient however one item that showed as a weakness and room for improvement from the SWOT surveys was communication. It's suggested that a regular meeting be had with the service team (Technicians, Advisors, Foreman and Manager) where the manager can update on current affairs and also discuss and report of the productivity and efficiency levels. It's important to communicate the dealerships expectations to the staff members and also provide a chance for feedback.

Training - Training levels are always a struggle and it was noted from the SWOT surveys staff members would like to be offered more training. It's suggested with the amount of total staff members that an individual in HR be in charge of tracking technician training and providing a report to Managers showing progress and upcoming courses so our technicians can work towards obtaining OEM certification. This method will also help with budgeting of funds annually for training.

Special Tools - Specials tools and equipment was an item that staff showed as a weakness when surveyed. Both locations had tools missing, inconsistent amount of tools and some tools and equipment not in operating condition. Also in some cases special tools were kept in the parts dept. causing a tremendous amount of wasted technician time. A location or room inside the service center should be designated and a staff member made responsible to assure the area is kept clean and organized. All equipment requiring inspections should be set up on a schedule and kept in working condition.