

**SERVICE DEPARTMENT ANALYSIS FOR
JK SUBARU**

By

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Qualitative Analysis

Strengths

1. Our ability to communicate as a team is great. It improves more each day because our service members hold each other accountable for customer centric results.
2. Our service department has a 76% retention ratio of customers so currently very loyal and we do a good job capturing their tire business as well as batteries and other items that promote retention.
3. We are traditionally in the top three for Customer Satisfaction within our district.
4. As a result of having the right personnel in place, it allows the GM to concentrate on market share growth and the customer experience.
5. We are currently one of the most convenient locations in our district, we are rated to only be 1 day on average out for scheduling.
6. Our BDC manager follows up with all customers and gets really good feed back.
7. We do a really good job upselling customers, the Techs understand that we want multipoint inspections completed and turned in to advisors within 15-20 minutes tops.
8. We have a digital board in the customer lounge for pricing which gives customers an opportunity to not only see our pricing but the pricing of independent shops as well.
9. We have a very positive culture within our service and Parts experience, we smile and take pride in making customers feel welcome.
10. Marketing our service department using a factory partner and targeting customers that have not been in within a year.

Weaknesses

1. Our Parts processes can be tweaked for more efficiency. Currently our Parts manager spends to much time socializing with our technicians and it impacts our production negatively. Occasionally she will also order the wrong parts which also impacts our production time negatively.
2. Our Service department should be running another half to one full point more hours per repair order.

3. We should be open on every Saturday to make things more convenient for customers who work during the week. Currently we are open one Saturday out of the month.
4. We have under 1000 Units in Operation in our AOR.
5. Our Effective Labor Rate is rarely over \$80 where our warranty rate is \$105.
6. Need technicians running more than 40 hours per week. Currently only one out of three doing this.

Opportunities

1. Electronic dispatching could enhance our service experience and make everything run much more smoothly.
2. We can do a better job encouraging customers to service vehicles from all makes and models regularly with us.
3. Continue to work on providing a over the top service experience, meet 100% of all customers on the service drive while in their vehicle.
4. Become more flexible for customers to order parts and arrange service when it is convenient for them.
5. Increase our repair order count from 14 to 30 so we can justify bringing on another advisor.

Threats

1. In our market area we are the only Subaru dealership compared to two or three locations of the other main brands. This is sometimes discouraging to service customers because it is inconvenient for them to drive.
2. Independent service departments are sometimes closer in proximity to our customers residence.
3. Our warranty labor rate is considerably lower than other Manufactures in our market area, which makes it a little more of a challenge to compete with Technicians rate of pay.
4. Longer service maintenance intervals for current models.

Objectives

- 1.) Continue to improve our shop proficiency
- 2.) Get lead tech completely Subaru Certified so he can become more valuable in performing recalls and major maintenance services.
- 3.) Improve Operational profit by managing policy expense and extending hours of operation to be more convenient for customers.
- 4.) Increase number of daily repair orders written.
- 5.) Send correspondence via email, mail and telephone (BDC) that invites customers no longer regularly using our service facility to come back.
- 6.) Continue to track declined repairs and lost sales.

Strategies

- 1.) Ensure that Service Manager better dispatches and holds techs accountable for meeting promised time deadlines regularly.
- 2.) Weekly shop meetings to discuss parts efficiency as well as techs production, fix it right the first time and multi point inspection/sales review.
- 3.) Increase number of production hours by shop foreman.
- 4.) In discussion with Dealer Principal about investing in a more advanced DMS system which would include electronic dispatch and pads for service advisor for on the drive usage.
- 5.) Increase the amount of work in shop by encouraging used car customers to come back and get regular services with us as well as extending hours to make more customer convenient.

Tactics

- 1.) Tie Shop Foreman's pay in with other techs to ensure motivation for more production in the shop.
- 2.) Parts and Labor discounts must be authorized by General Manager.

- 3.) Continue to promote our competitive prices on digital board in our customer waiting area and produce menus/brochures for customers to see their recommended major maintenance schedules.
- 4.) Continue to have our BDC department follow up with customers to ensure their satisfaction.
- 5.) Possibly implement a bonus for techs, challenge them to reach for more hours.
- 6.) Send our mailers with coupons quarterly.

Action Plan

Task Date	By Whom	Completion
Make a decision on DMS 2019	GM/Dealer	4 th Quarter
Increase Accessory Sales	GM/Parts Manager	Daily
Track tire sales to ensure customer ret. Monthly	Parts Manager	
Track fill rate and lost sales for inv mix.	Parts Manager	Daily
Extend service hours of operation quarter 2019	GM/Service Manager	4 th
Adjust Shop Foreman's Pat quarter 2019	GM/Service Manager	4 th
Create tech bonus	GM	June 1 2019
Weekly Fixed Leadership Meeting	GM	May 1 2019
Ensure that Service Adv does not discount Immediately	GM	
Track Technician Production	Service Manager	Daily

Synopsis

It is evident that with our current tech proficiency of 78.27% we have opportunity to maximize our shops potential. We can stand to open our service facility on the weekends and also extend our late evening hours from 5pm to 7pm. This will in turn require more personnel assistance but would open up our service capacity.

Applying for a higher warranty rate with our Manufacture will assist us in the effort of recruiting and retaining the right service technicians. This in turn will provide a better customer experience because of the fix it right the first-time rate as well as more quality multi point inspections to upsell the right recommendations for our customers. Currently our facility utilization is at 48% which by investing in more direct marketing targeting customers who no longer service with us and encouraging used car customers to service with us while extending service hours all could potentially increase that utilization number. Our year to date fixed absorption is currently 51.4% and by making the above-mentioned adjustments should increase that as well making our dealership more profitable.

Having brochures with maintenance packages easier to understand and read should assist in our efforts to increase lines per repair order and pull in more work to the shop.

Once customers recognize that our hours are convenient, we solicit for more business outside of Subaru and reach our used car customers as well as becoming more parts efficient this should help us see a boost in our overall operation and enhance the employee and customer experience.

