

Service Department Analysis for Jake Sweeney Mazda West by Luke Sweeney N344-001

Strengths

1. Communicating with customers while their vehicle is here.
2. Clean write up area and shop
3. Large shop capacity
4. Friendly customer service from the advisors and technicians
5. Ample amount of lifts and space for technicians
6. Over 50 years of experience from our technicians
7. Three Mazda Master Certified technicians
8. Make customers feel welcome by remembering them by face or vehicle
9. Repairs are completed in a timely manner
10. Work with Mazda on repairs to cover repairs for loyal Mazda customers
11. We take ownership of our mistakes
12. Matching uniforms for technicians and service advisors (clean look)
13. Co-Workers respect each other and leadership
14. 102 years of doing business in Cincinnati
15. Hard working group

Weaknesses

1. Communication between the service advisor, technicians, and parts.
2. Not many specials/ coupons that excite customers enough to come in for service
3. Charging for things that other places do for free
4. Advisors discounting on tickets
5. Customers being sent away rather than worked into the schedule
6. Lack of advertisements
7. Garage doors tend to break down
8. WIFI breaks down too often which affects customers' ability to work from the waiting room
9. Lack of sales
10. Lack of internal used cars
11. Out dated machines ie tire machine and alignment rack

12. Using a majority of OEM Parts instead of carrying value line for better prices
13. Parking for Employees
14. Inadequate training for employees
15. Ability to get the correct part for the vehicle
16. Wait time for commonly used parts
17. Service opens at 8 a.m. while competition opens at 7:30 a.m.
18. No competitive pricing board in the service drive ie specials and coupons
19. Service staff doesn't have enough work

Opportunities

1. Need to advertise more
2. Better health care, 401k, dental, and vision
3. Better communication between the sales and service department
4. Need to hire another lube tech
5. Push to work on all makes and models
6. Upselling off of the lube rack
7. Having a consistent selling strategy
8. Parts using the internet to find parts
9. Putting up signs around the area

Threats

1. The area we are located in is away from the highway and rough
2. Not enough street traffic
3. Competitors ie Walt Sweeney Ford, CaX, Jiffy Lube, Firestone
4. Crime (Theft, Bad Neighborhood, Customers can't afford vehicles)

Objectives

1. Improve sales and gross on customer pay
2. Push more work through the shop
3. Advertise around the area for our service department

4. Create more incentives for the service advisors and manger to up sell jobs
5. Have the part on hand to sell the job
6. Open up lines of communication between sales and service through xtime
7. Have a sales process for the advisors
8. Track sales

Strategies

1. Have a competitive pricing board with comparisons of non-dealers
2. Utilize our shop foreman in the scheduling
3. By tracking lost sales begin to create a better mix of parts
4. Hire a new lube tech and utilize our Express Lube Lane
5. Advertise around us for all makes and models to pick up other business
6. Have weekly sales meetings to discuss the opportunities

Tactics

1. Advertise special discounts and coupons to bring in traffic
2. Have service manager and shop foreman work together on scheduling and work flow
3. Password protect labor and parts discounting
4. Have weekly service meetings to find out struggles and teach best practices
5. Open up communication between service and parts
6. Look at technician bonus
7. Find better employee parking

Action Plan

Task	By whom
Weekly service meeting weekly	General Manager
Track Lost Sales weekly	Parts Manager
Remove ability to discount labor or parts 5/1/19	Fixed Ops Director
Create non dealer price board 5/1/19	Service Manager
Advertising around the neighborhood 6/1/19	General Manager
Create service coupons and specials 6/1/19	Service Manager
Shop foreman creates schedule 5/1/19	Shop Foreman
Update Tire Machine 6/1/19	General Manager

Service Parts Sales weekly meeting
5/1/19

General Manager

Extend Service Hours to match competition
5/1/19

General Manager

Synopsis

We face several challenges going forward, but the one challenge that needs immediate attention is our lack of advertising. We have created effective TV, Radio, and billboard advertisements to draw customers into service.

I am trying to get by in from the powers to be to extend our service and parts hours especially on Saturdays. I believe it would set us apart from our competition who have shorten hours and give us an opportunity to create new customers.

We are working on our pricing structure to be competitive in our market. I believe with the combination of new business and our competitive pricing structure we will keep the new business that is walking in the door.

Lastly, our aggressive pre owned department is buying more and more cars from auction to keep the service and parts departments busy through this transitional period.

Fixed Operations 2

We haven't done any TV, Radio, or Billboard advertising for our store, but we have created a new plan on TV and Radio with our service manager Jenn Capps. She has worked at Jake Sweeney Mazda West for 6 years and is a great representative for our store. We have highlighted her on our TV advertisements and she is doing the voice overs in our commercials. We are currently looking for billboard spaces around our dealership to highlight new specials and tires deals. We encourage our service customers to fill out online surveys after every service. We do service email campaigns to keep our name in our customer's mind as well as highlight specials and available coupons.

We a lot of room to grow in our service department. As of the month of March we had sales of \$60,984. Which is below average sales for us, but our facilities capacity \$248,443. We feel with the new advertising, scheduling, and team production method we will have over \$100,000.

Our technicians' proficiency for the month of March was 42.08%. This calculation is from the 636.3 hours billed divided by 1512.00 hours available. We feel that it is obtainable to make it to 900 hours with our current staff which would make us 60.02% proficient.

Our current production method is conventional, but I think we would benefit working in a team. I think if we were in a team system we would up sell a lot more maintenance work in the lube rack. Also the lube technicians could learn more from our master technicians about diagnosing and not skipping steps in the process.

Our cost of labor of labor per Ro is \$25.27 which isn't too high, but we aren't capitalizing on upselling the Oil Change and Tire rotation. I feel the changes with the team technician system combined with a new sales strategy our cost of labor will go down.

We haven't made any expense structure changes in the first quarter of the year, but with our new advertising strategy we will be adding \$3,000 a month. This expense will hopefully be offset by the additional sales and service traffic at the store.

I want to create a pay plan that pays the service manager and parts manager on a combined gross. I feel this will entice them to work together on have the right parts and have open communication about work coming through the door. Our service advisors need to be taken off of their hourly pay and put on a draw just like our sales department.

We currently have three master certified technicians and they run the shop for the most part, which is a positive and a negative. Although they have a ton of knowledge and experience I would like if they interacted more with some of the other technicians who have far less experience. We are currently trying to send our used car technician to Mazda training to become certified, but he doesn't seem too interested.

Our technicians lead by Adam our shop foreman take pride in keeping a clean work space this has spilled over to our special tool area which is very neat and organized.

