



## **Financial Management Action Plan Homework**

*Homework is due the Monday of the week before you return for Parts Class*

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**ACADEMY CLASS: NADA 350 (2020)**

**COMPOSITE DATA REFERENCE:**

**SERVICE DEPARTMENT**

**NADA 20 GROUP COMPOSITE**

**REPORT DATE: MARCH 2019**

**PAGE: 32 COLUMN: 3 LINE: 2**

**GOAL:**

**INCREASE OUR CUSTOMER LABOR FLAT-RATE HOURS PER REPAIR ORDER FROM 1.0 TO 1.5  
BY DECEMBER 31, 2019.**

**How do you plan to achieve your goal:**

We are convening Service Department Manager Meetings on a monthly basis. One of the key performance metrics we are tracking, evaluating, and assessing during these meetings is customer pay hours per R.O. Now that we are consistently evaluating this KPI, we are implementing best practices across all of our 9 dealerships—including our Findlay Ford Lincoln dealership—with a focused effort upon steadily increasing our customer pay hours per R.O.

**How will you track your progress? What measurements, KPI's?**

As part of our Service Department Manager Meetings, we've developed a cloud-based daily update tool into which our service managers place performance concerning key metrics, including hours per R.O.

The daily update tool is then merged into a cloud-based service department performance spreadsheet, which also includes technician productivity, ELR, dollar value per R.O., gross margin, and service advisor R.O.s per day, in addition to customer pay hours per R.O.

The monthly results of our KPI spreadsheet are then compiled into PowerPoint data for detailed presentation, discussion, and analysis during our monthly Service Department Manager Meetings.

**The benefits of achieving this goal will be increased service department fiscal performance and profitability.**

**ACTION ITEMS**

<b>Potential Obstacles</b>	<b>Potential Solutions</b>
<b>Ensuring Effective Training</b>	<b>Develop &amp; Implement Comprehensive Training</b>
<b>Ensuring Accountability</b>	<b>Develop &amp; Implement Accountability Measures</b>
<b>Service Manager enforcement of best practices</b>	<b>Hold Service Manager accountable for enforcing best practices and monitor performance.</b>
<b>Service Advisor compliance with best practices</b>	<b>Hold Service Advisors accountable for following best practices and monitor performance.</b>

**Who on your staff will need to be involved to accomplish this goal:**

A number of stakeholders, including the Company President, the General Manager, the Service Director, the Service Department Manager, the Service Technicians, and the Service Advisors. We've recently appointed a Service Director to manage the Service Departments in four of our dealerships, including our Findlay Ford

Lincoln dealership. He has been charged with the responsibility for implementing the foregoing solutions. We are optimistic he will rise to the occasion.

## **ACTION STEPS**

<b>What?</b>	<b>Expected Completion</b>	<b>Completed</b>
Implementation of training materials, including Service Advisors' use of Reineke Service Excellence business cards—an oversized business card that articulates our customer commitment.	<b>May 2019</b>	<b>In process</b>
Implementation of training materials, including Service Advisors Checklists, including individualized checklists detailing best practices for pre-arrival; arrival; work in process; delivery & departure; and customer follow-up.	<b>May 2019</b>	<b>In process</b>
Implementation of training video, including coordinating with video personnel; practicing with appointed Service Advisor; finalizing script; and shooting training video.	<b>May 2019</b>	<b>In process</b>
Implementation of live training for Service Advisors, including obtaining proposed live training protocol from Service Director.	<b>May 2019</b>	<b>In process</b>
Continuing and diligent use of Daily Update Tool and Service KPI Comparison Spreadsheet to monitor KPIs, including customer pay hours per R.O.	<b>April 2019</b>	<b>Ongoing</b>
Continuing commitment to and refinement of Service Department Manager Meetings to ensure managers are taking all necessary and appropriate measures to achieve KPIs, including customer pay hours per R.O.	<b>April 2019</b>	<b>Ongoing</b>
Utilization of Service KPI Comparison Spreadsheet and Service Department Manager Meetings to hold managers and their direct reports accountable for continual improvement and achievement of KPIs	<b>April 2019</b>	<b>Ongoing</b>