

Strengths

The store is in business 50+ years

Brand new service facility

Customer retention is at a good level

Service Manager came to NADA and is on board and open to growth and coaching

Very strong A technicians that mentor

Service Director went down and is out minimum of 3 months, this is an opportunity to have the Service Manager grow and for us to evaluate if we need both.

Advisors, BDC, SM and Valets on board

Shop Foreman is a good coach and mentor

GM is always available to handle and customers issues that others may not be able to rectify

Store technology is keeping pace with climate

Competitive pricing is posted above each Advisor

DP and GM are always open to and adapting to change and growth

Used car department has good working relationship with the SM and recon Techs

Weaknesses

Service director went down and is out minimum of 3 months and he is a hard worker and my Service Manager can burn out

Service Facility is at a different location than the Showroom and offices

Service Advisors are either very strong or on the weaker side 50/50 mix

Need training for advisors

MPIs were not 100% up to par

Processes were not 100% enforced

SM and SD have a tendency to want to educate and argue with irate customers rather than listen and then problem solve

Some techs are more than non productive

Cashier goes over ROs with customers during certain time frames

SD thinks we are a well oiled machine and not open to coaching or change

Weaknesses - cont

Service Director is on a permanent guarantee

Fixed expenses are high

CSI could improve

Social media ratings were trending down

Opportunities

Hours could be extended to increase efficiencies and proficiency

Can improve moral with culture of proficiency that includes training

Can see if SM is ready to take over and lead the department

Retained profit

Threats

Many same brand competitors fighting for our business

Techs all not on board some push back

Competitors poaching Advisors and Techs

Expenses were high

SD business as usual

Bad reviews

Process stalls or no inspection

Dealership liable if MPIs not filled out or completed correctly

Warranty labor goals not hit

Advisors discounting

Objectives

Create a culture of proficiency

Increase Tech proficiency

Increase Fixed Absorption

Increase Facility Utilization

Reduce expenses

Increase retained gross profit

Increase ROs written daily

Strategies

Quick to the point daily meetings

Weekly full Service Staff meetings - interactive

Discounts from SM or SD only - phase out ASM ability

Schedule to match demand and constantly measure

Tactics

Review #'s with SD, SM and PM weekly and devise plan to hit goals or maintain ie. whats working/not working

Review analytics weekly on the webpage and phone numbers to access what advertising is working

Meet with PM and inspect lost sales and pricing guides biweekly

Put correct tech with correct job no cherry picking or on the flip side setting techs up to fail by o being able to complete jobs during time frame

Action Plan

Survey Customer for ideal extended service hours/ days
6/1/2019

SM

Action Plan - cont.

Service Department Analysis - Glen Toyota - Rob Daland N345-21

Fix/adjust pricing guides in DMS 4/15/2019		SM /PM
Meet with Techs and Advisors on MPI zero tolerance process 5/1/2019		SM/GM
Remove ASM ability to discount from system	SM	5/1/2019
Adjust ASM pay plans 4/15/2019		SM/GM
Training schedule for ASMs 5/1/2019		SM
Vending Machine for shop supplies with pin codes 6/15/2019	SM	
Weekly meetings with PM and SM weekly effective 4/1	GM	
Revise hours as needed from surveys 6/15/2019		DP/GM/SM
Change Digital Marketing vendor 5/1/2019		GM
Build Open recalls report for BDC and Advisors with process 5/1/2019		SM/GM
Job Descriptions and expectations 4/30/2019		GM/Controller
Expense analysis 4/15/2019		GM/Cont/DP
Adjust Tech schedule to reflect demand 4/15/2019		SM
Track and Measure results	GM/SM	weekly
Action plan to streamline recon and increase internal ROs 4/15/2019		SM/UCM
Meet with Techs to review proficiency and train on potential biweekly		SM/GM

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Repair Order Analysis Summary Report							
	Sales in Dollars	FRH's on RO's	Average	Analysis			
Competitive	\$ 5,310	57.30	92.67	FRH Average			
Maintenance	\$ 1,415	11.50	123.04	FRH Average			
Repair	\$ 3,486	27.00	129.12	FRH Average			
Totals	\$ 10,211	95.80	106.59	Customer ELR			
Target Labor Rate			122.00	Per FRH			
Total Ro's in Sample	100	Difference		-15.41	Per FRH		
Cost of Labor							
Total Cost of Labor	2046.00	Total Sales	20,047	Percent Cost of Sales			
Total Cost of Labor	2046.00	Total FRHs	21.36	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	10,211.35	Total ROs	102.11	Avg Labor per RO			
Total FRHs	95.80	Total ROs	0.98	Avg FRH's per RO			
Menu Sales		Total ROs		Percent Menu Sales			
Competitive FRHs	57.30	Total FRHs	59.81%	Percent Competitive			
Maintenance FRHs	11.50	Total FRHs	12.00%	Percent Maintenance			
Repair FRH	27.00	Total FRHs	28.18%	Percent Repair			
One item ROs	68	Total ROs	68.00%	Percent One Item RO			
Model Year Analysis							
2020	2019	2018	2017	2016	2015	Older	Total
0	2	15	17	10	10	46	100
0.00%	2.00%	15.00%	17.00%	10.00%	10.00%	46.00%	

Labor Mix

■ Percent Competitive ■ Percent Maintenance ■ Percent Repair

Synopsis

Based on all the calculations the Facility Utilization and Tech Proficiency both have a lot of room for growth. Increases in both will benefit our Net Potential and will increase gross.

Consistent and effective training for the Advisors will increase the items per RO and labor sales.

The Advisors and SD need pay plans adjusted to reduce expenses and increase labor sales. The pay plans will be totally performance driven.

The hours need to be extended. The added hours will directly impact the Fixed Absorption. It will also

help our ability to make us more convenient for our growing customer base.

The staff will be trained, coached & included in the vision of the company. This will increase moral and profitability.

It seems like I have a long way to go in a lot of these areas. However with the implementation of process combined with follow through we will be able to get the store on track and at guidelines fairly quickly. The next step will be to talk a deeper dive and really tweak every area so we are maximizing our full potential. Then we can just maintain and work on branding and continuous improvement.

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