

Swot Analysis

Strengths

Our store has a very good reputation and large repeat and referral customer base.

We have a state- of- the art facility with a new car wash.

We have good unity between all departments, the sales department works together with service to assist with guests needs.

We have a large loaner fleet filled with the same vehicles that we sell new. When service is out of cars the sales department often provides cars off the lot for guests.

Our internal labor rate matches our customer pay labor rate.

We recently got our warranty labor rate increased from our manufacturer.

We have a guest service department that assists service in setting appointments and contacting return guests.

We just installed new lube racks that allow for faster oil changes.

Weaknesses

We have several underproducing technicians.

Our management does not do a good job holding the technicians accountable for their work.

We have a lot of unapplied time every month from the same technicians.

Our service advisors need more training.

We have a lot of one- line repair orders.

We do not always have a clear vision sometimes our advisors and technicians do not have a goal to constantly work towards.

We need better communication between the guest service department and our service team. Sometimes we have guests complain that their oil changes take too long.

Opportunities

Our service center is set up to handle a big increase in customers.

With this increase more profit will flow through service.

More future sales because happy service customers buy more vehicles.

With the application of the six -minute rule our advisors can pick up extra profit for the store.

Improved morale for all employees when a clear vision is established.

Less comebacks with guests whose vehicles were not fixed properly the first time.

Increased shop efficiency when bdc and service personnel improve communication.

Increase in parts department profit too when service business picks up and advisors sell more labor.

Increase service hours to more conveniently serve our customers.

Threats

Continue losing money in service.

Loose valuable customers not only in service but parts and sales.

Loose our great reputation in the community.

Put extra pressure on sales to chase manufacturer kick back money to fill the void left by low service absorption.

Weak profit foundation. Service is the backbone of the dealership.

Poor service will give more business to independent service centers.

OBJECTIVE:

The first objective is to have service management hold the technicians accountable for their work. We need to have clear goals presented so we are all on the same page about what is expected.

The net objective is to increase the training for our service advisors as they are the face the customer sees when pulling in. By enhancing their sales skills it should help increase labor sales.

STRATEGIES AND TACTICS:

The main tactics and strategies we will do is have weekly meetings that define our goals and follow their progress. Every Tuesday we will do sales training for the service advisors and role play. That is an area that I have been doing myself as I have a lot of experience having spent my entire fourteen year career in the sales department. The other tactic we will explore is to do phone training and do audits on how phones are being answered. I have called our store many times and tried to refine the process to make sure smooth execution when a guest calls. All of this training will help increase customer satisfaction which leads to more gross profit for the store.

ACTION PLAN:

After evaluating the swot analysis the main areas for improvement are service advisor training and technician accountability. We will set a timeline for measuring the process in a three month segment. We will meet every Tuesday to go over the progress. To execute the plan role playing will be done by myself with the advisors before service opens on Wednesday mornings. A uniform greeting and introduction will be established for every guest who pulls into the service drive. A road to the sale similar to what is used by our sales consultants will be implemented by the advisors as well. For the technician accountability our service manager will record all comebacks and fill out the comeback sheet similar to the nada service training manual. This way the technician understands what is expected and how detrimental a comeback is to the store. Also a weekly hours goal will be posted in the shop so each tech can see how they are doing with their personal goal. By doing this a clear vision will be established within the entire department and each

employee will be more productive providing a better guest experience thus increasing profit for the store.

RECOMMENDATIONS

ADVERTISING: Since we have a large service facility and based on our fourth homework calculation we are not utilizing our shops full potential, we must try to get more customers in our shop. To advertise we will have our bdc sent emails to our customer base with service coupons. Also we have referral cards at the cashiers stapled to the ro.

MARKETING: We will have our bdc also work the onstar diagnostic manifest list. Plus we will send a mailer saying we service all makes not just general motors products.

FACILITY: We just added a new addition to service and a new car wash. Now we need to get less one line ros to optimize technician efficiency.

PRODUCTIVITY: To increase tech efficiency we will add a computer screen to the shop so each tech can see where they are on their daily hours goal. The techs will be given their goals each week.

PRODUCTION METHOD: We recently just extended our service hours to 7pm during the week and until 3pm on Saturdays. This will make it more convenient for our service guests.

ANALYZE COST OF LABOR: The hourly pay of our techs ranges from 35.00 to 39.00. Our lube techs make 12.00 per hour. We need better tech efficiency right now our home work calculation revealed that over half of our tech were under producing. We will set a clearer vision for them. Many of them had never had any goals set for them.

CHANGES IN EXPENSE STRUCTURE: After performing our second homework calculation it was obvious we had high expenses. On the service side they are 396000 for the service side. What we did was show the six minute rule to each advisor so they see the added profit produced. They were blown away.

PAY PLANS: The pay plan adjustment we did was add a CSI component to our advisors pay. The higher their CSI, the higher their percentage is.

DETAIL PERFORMANCE PROGRAMS: Objectives are set by the service manager and relayed to all personnel in their meetings. The advisors have a separate meeting time than the technicians so goals are clearly explained.

LEVEL OF CURRENT TRAINING: We are within the training requirements for our manufacturer however our advisors need more sales training. As I explained in our action plan I have been conducting that on once a week before service opens establishing proper meet and greet and road to the sale.

SPECIAL TOOLS: Added storage bins for LPO accessories. This has helped make it easier and faster for the techs to locate parts.

100 Repair Order Analysis

After conducting the repair order analysis the labor break down was as follows:

Competitive: \$549

Maintenance: \$2127

Repair \$14333

Totals: \$17009

When we calculate the average labor per repair order based on the one hundred sampled here our average labor per repair order is \$170.09 . This is up from the prior month which averaged \$158.00 per repair order.

Our one line repair orders were at 32%. That is one area where we must continue to improve if we could decrease our one line repair orders and get an extra half hour of labor the extra profit it would generate would be \$2352 dollars. One a yearly basis that amount would be \$28224.

Our model year break down was as follows:

2020=0 vehicles

2019=6 vehicles

2018=9 vehicles

2017=16 vehicles

2016=19 vehicles

2015=23 vehicles

Older=27 vehicles

The model year break down showed me that we need to market better that we will service all makes and models and older vehicles as well. It seems slot of our work is warranty and if we could branch out more it would help department drastically.