

Champion Ford Service Analysis

During my evaluation of our service department, I learned quite a few things. While we have several great areas in our department, I did notice a few areas of improvement. First being our technicians must be more aware with how they use their time. We have multiple technicians who specialize in different areas; we continue to educate and keep our technicians up to date on the changing environment with Ford's requirements, but our technician proficiency is currently 67.73%. Our goal is the NADA standard of 120%. Secondly, there was the advertising budget. Our current budget is \$1,200 a month. If we could raise that amount, we have the potential to reach more people, in turn creating a much busier shop and department entirely. The next issue was our Special Tool room and its lack of organization. With Ford sending new tools monthly, the organization and process of getting access to these tools is crucial. The Effective Labor Rate (ELR) is another issue in our department. Our current ERL is \$86.44. Our goal is to hit \$102. If we could optimize the ELR to that \$102, it would increase our monthly bottom line by \$13,576, that would equal an additional \$162,912 annually. We have implemented a weekly meeting with service writers and the service manager to train our service writers on how to up-sell products and use correct phone etiquette, giving us the opportunity to increase our ELR. We have also created a process for the Special Tool room, if you need a special tool you must now go to the parts department and check out which tool you need. Preventing tools from going missing and knowing exactly who had what tool last if the tool doesn't get returned. I am also considering extending the service hours for inspections and pre-delivery inspections, creating more time for the technicians to work on customers vehicles during the normal business hours. More positive conclusions to the evaluation was the cost of labor staying around \$20.30, and after closely dissecting the expenses, we have decided to X-Time, a third-party appointment setting software, and turning over appointment scheduling to our service manager, saving the department \$995 monthly. Also, by allowing our service manager to set appointments and assign technicians to those appointments, knowing the strengths and weaknesses of each tech, our department has run more efficiently.