

Qualitative Analysis

Strengths

1. Many units in operation. Sales has been selling a ton of new cars.
2. Brand new, state of the art facility with WIFI, Starbucks machine.
3. Great online presence. Reviews are great and numerous.
4. Offer Loaner vehicles.
5. Experienced staff, good tech and good service writers.
6. We offer a flexible payment program that allows customers to make payments on expensive repairs.
7. Our pricing is very competitive.
8. Service BDC helps with answering phones and setting appointments.

Qualitative Analysis

Weaknesses

1. Not enough loaner cars.
2. Car wash speed. Takes too long
3. Communication between advisors and techs is weak
4. Value for service, time to complete service and fix it right the first-time scores are low.
5. Broken or missing tools. Special tools are kept in breakroom with no system or process to check them in or out.
6. Not many repairs coming through the drive. Mostly oil changes and maintenance.
7. Not selling services...30k, 60k
8. Dollars per RO is very low
9. Need more advertising
10. Not using video inspections to sell product

Qualitative Analysis

Opportunities

1. Start working on all makes and models
2. Install new CDK iPad selling system
3. Use video-based inspections to sell services

4. Huge Hispanic population. Need to do a better job marketing to Hispanics in this area.
5. Need to market to get repair jobs into shop. Right now, mostly maintenance.
6. Set up parts to be able to sell parts and service online through eBay and Amazon.
7. Add one more advisor to handle overflow of customers.

Qualitative Analysis

Threats

1. Mazda continues to build one of the best cars on the road. The cars are not breaking so most services are maintenance, not repairs.
2. Mom and Pop service shops that offer cheap prices, longer hours and aggressive advertising.
3. Lack of quality techs available to hire.
4. Ride share. More people using ride share for transportation vs. buying a car and servicing it.
5. Mazda recommends servicing your car every 6 months 5,000 miles vs. 3 months 3,000 miles.

6. China tariffs

Qualitative Analysis

Objectives

1. Increase dollars per RO on customer pay to \$150 per

RO

2. Improve Mazda CX-360 scores
3. Increase hours per RO on customer pay
4. Change Advisor pay plan from gross to hours
5. Improve speed. Takes too long for basic

maintenance

Qualitative Analysis

Strategies

1. Utilize video to help sell jobs and increase transparency.
2. Text and video will help increase speed and CX-360 scores.
3. Sign up with CDK new iPad presentation product. This will help with speed, accuracy and increase sales.
4. Hold advisors accountable to selling more hours per RO with their new pay plan.
5. Hire one more Advisor to help with speed and accuracy.
6. Schedule appointments for Advisor that is off. Use Svc BDC to accomplish this

Qualitative Analysis

Tactics

1. Bring in Scot Davis as Service director to help with direction of the department
2. Change up our 5,000-mile service that is \$89.95 and includes oil change and tire rotation. Advertise \$59.95 oil change only and sell tire rotation.
3. Utilize CDK/ADP service tool sell more maintenance like 30k and 60k services.
4. Increase shop hours. Set closing time the same as sales and start opening on Sundays.
5. Start advertising to repair all makes and models. Right now, we are doing mostly maintenance on Mazda's only. We need some repair jobs on all makes and models.
6. Set up weekly meetings with SVC and Parts and GM

Objectives / Strategies / Tactics

Action Plan

<u>TASK</u>	<u>BY WHOM</u>	<u>COMP</u>
<u>DATE</u>		
Bring in Scot Davis	GM	October 1st
Implement Video strategy	Svc Manager	October 1 st
Roll out new Advisor Pay plan	GM / Svc Manager	
October 1 st		
Hire and train new Advisor	Svc Manager	October
Increase shop hours	GM / Svc Manager	October 1st
Adjust advertising to include all makes	GM / Svc Manager	
October 1st		
Break up Oil change and tire rotation	Svc Manager	
October 1 st		
Weekly Service and Parts meeting	GM	October 1st
Purchase iPad for new CDK system	GM	October
15th		

Install new CDK/ADP iPad svc system Svc Manager

November

Synopsis

We are currently averaging well below \$100 per customer pay RO. This is severely hurting the profitability of the service department. We have plenty of traffic. We aren't selling on the service drive. Our hours per RO are currently 1.10 labor hours per RO. A change in the service advisor pay plan, focusing on hours per RO & effective labor rate instead of gross should help.

If we utilize True Video to its fullest extent, we will increase sales on the drive. Also, with the new CDK iPad presentations, we should see an increase in sales and speed. This should help with our overall CX-360 scores.

Changing our advertising from focusing on the more expensive 5,000-mile service (oil change & tire rotation \$89.95) to a more competitive \$59.95 oil change and selling tire rotations as an additional cost should help with traffic.

Extended hours and advertising service for all makes and models should help also.

Bringing in Scot Davis (who just graduated from NADA Class taught by the world-famous Larry Hourcle) as a Service Director to help implement these changes should help ensure the success of our action plan.