WINNER FORD OF CHERRY HILL, NJ
NADA SERVICE ASSIGNMENT – CLASS 353

November 4, 2019

Nick Edwards (Director of Fixed Operations), Michelle Hatzis (Dealer Principle, President & GM), Jennifer Alverez (CFO/Controller), Dino Rucci (General Sales Manager)

OVERVIEW

We have created an initial review of Winner Ford of Cherry Hill's Service Department's process, procedures and a completed a SWOT analysis in the outline that follows. We found the exercise extremely insightful and will continue to iterate on the document in the future. The insights we gathered served as the basis an Action Plan we will be finalizing with the goal of achieving better operational practices that we believe will results in operational efficiencies, customer service and profits for 2020. While this is a high level review, we have found the exercise invaluable and will build this into our annual operations planning going forward and create a more detailed Action Plans that will be monitored monthly so that we stay on track and can pivot as needed going forward.

Below you will find a brief summary of our review of key Service Department processes and procedures, as well as our SWOT Analysis and Action Plan for 2019-2020.

Advertising & Marketing

Questions:

- *Advertising: What are your plans to keep your dealership name in front of your customers*
- *Marketing: Who will be marketing the dealership service department with the goal of obtaining new customers?*

Insights: *Build a integrated Marketing and Advertising plan and ROI evaluation process partnering with our vendors & Sales.*

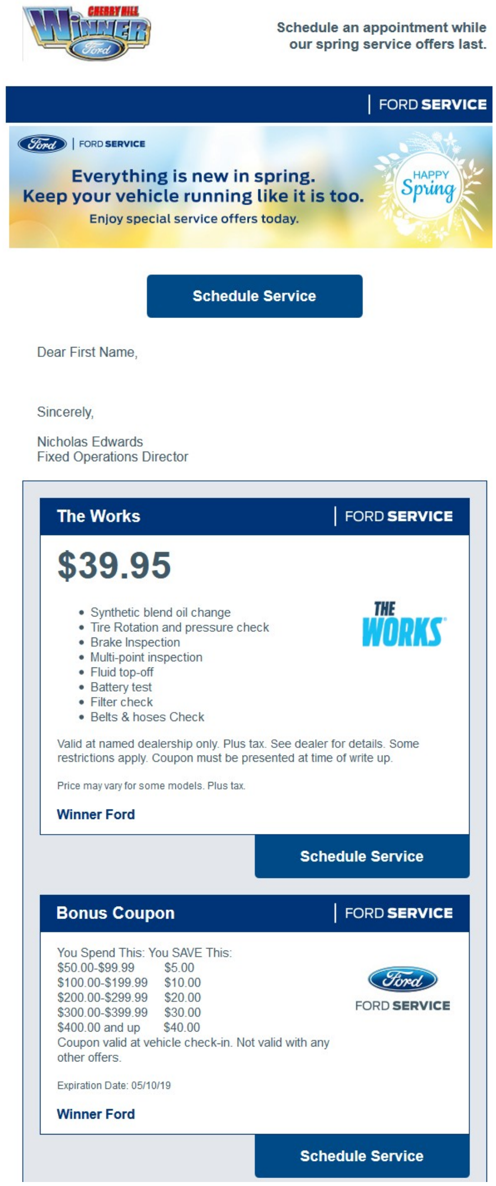
Advertising and Marketing has not been a strength or focus for Winner Ford's Service Department in the past several years. We realized the need for a systemic way to build a Marketing and Advertising plan that focuses on getting our dealership's name or service department in front of current and potentially new customers. Based on this exercise we have put in our action plan a priority to start addressing and building a more holistic and advertising approach going forward. In the past we have used a more siloed approach but only leveraging Ford's Consumer Connection for promotions. In this past year we engaged a vendor, Naked Lime, to build out a model for advertising to complement Ford's offering. We also have a vendor, Bitmoto, that is building out a more strategies and tactics via Search, Facebook, Instagram, etc. as a way to engage with existing customers and to "get our name out there" with new customers in the service domain leveraging paid search via Google Search Key Words, Facebook and Instagram, etc. As part of our Action Plan you will find our team will be addressing both advertising and marketing in a new more integrated way going forward for 2019-2020 and beyond. We,also will be working to develop a more integrated way to asses impact and ROI as a way to consolidate resources and become more cost efficient. As part of the renewal with these vendors, we will be requiring more robust reporting and building in stronger accountability. Finally, our Fixed Ops Director and GSM will be needing to work more closely on building this integrated approach and Dealer principle will be working on providing the correct budget and resources to support their success but also to hold the team accountable.

Below you will find marketing and advertising examples and outcome reports we use currently.

Consumer Connection from Ford provides:

- Direct mail campaigns to our ford customers in our CRM
- Email campaigns for ford customers in our CRM
- Monthly newsletters
- Reporting on declined services (battery, brake and tire)
- Direct mail and email for declined services
- Co-op support from ford

Consumer Connection examples:



Consumer Connection Reports:

ConsumerConnection

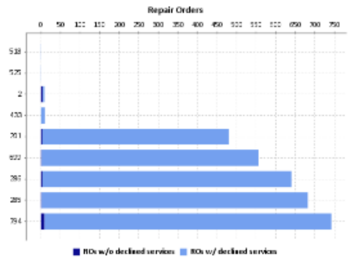
Winner Ford
Cherry Hill, NJ

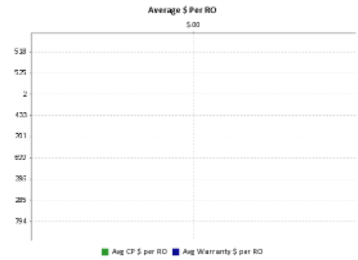
P & A Code:01248

Declined Services

Report Generated: 11/01/2019 Data As Of: 11/01/2019
Last 90 Days: From Date: 08/03/2019 To Date: 11/01/2019
Model Year: All Make: All Model: All Creative Brand: All Customers: All
Fuel Type: All Response Cycles: Completed Distance from Dealer: All

Summary





Detail

Service Advisor Details		Services					Declined Service Communications									
Advisor Code	Advisor Name	Total ROs	Brakes	Batteries	Tires	Other Declined Services	Mail Sent	Email Sent	Unique VINs Contacted	Response Count	Response Rate (by VIN)	Total CP	Total Warranty	Total Revenue	Average Revenue Per Response	ROI
201	Edmund Bock	480	4 (1%)	0 (0%)	10 (2%)	477 (99%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00
285	Matthew Snyder	682	0 (0%)	0 (0%)	10 (1%)	680 (100%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00
286	Michael Prusienski	640	3 (0%)	0 (0%)	8 (1%)	636 (99%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00
794	Spencer Fowler	742	4 (1%)	0 (0%)	16 (2%)	733 (99%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00
433	Tim Yowe	10	0 (0%)	0 (0%)	0 (0%)	10 (100%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00
518	Unknown Advisor	1	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00
525	Unknown Advisor	1	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00
699	Unknown Advisor	555	1 (0%)	0 (0%)	14 (3%)	553 (100%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00
2	Unknown Advisor	9	0 (0%)	0 (0%)	1 (11%)	4 (44%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00
Total		3,120	12 (0%)	0 (0%)	59 (2%)	3,095 (99%)	0	0	0	0	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00

ConsumerConnection

Winner Ford
Cherry Hill, NJ

P & A Code:01248

Service Summary

Report Generated: 11/01/2019 Data as of: 11/01/2019
Last 90 Days: From Date: 08/03/2019 To Date: 11/01/2019
Creative Brand: All Model Year: All Make: All Model: All Distance from Dealer: All
Revenue Type: All Communication Name: All Response Cycles: Completed Customers: All Fuel Type: All

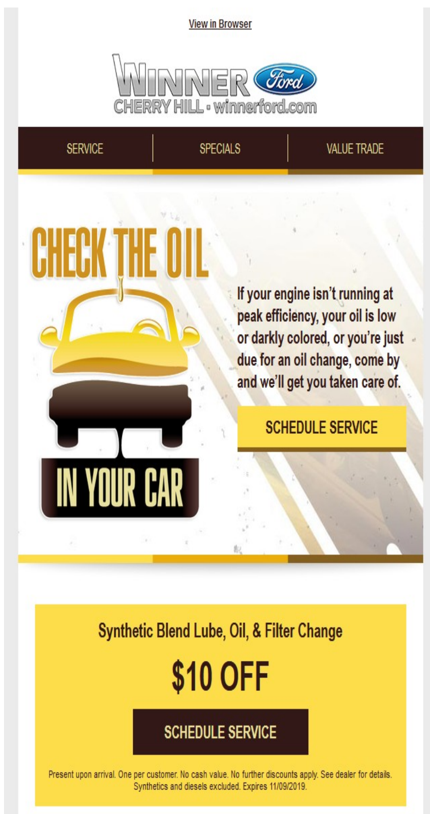
Detail

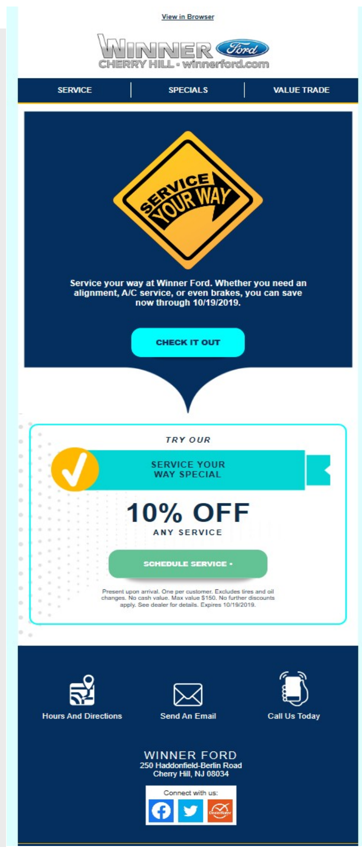
	Communication Type						Response Details							
	Direct Mail	Email	Live Call	Message	Text	Total Sent	Customers Contacted	Response Count	Response Rate	CP	WP	Total RO Revenue	Average RO Value	ROI
Welcome / Intro to Service														
Thank You For Purchase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Accessories Post-Purchase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Introduction to Service	N/A	98	N/A	N/A	N/A	98	98	18	18.37%	$973.22	$1,661.52	$2,634.74	$146.37	N/A
Total	N/A	98	N/A	N/A	N/A	98	98	18	18.37%	$973.22	$1,661.52	$2,634.74	$146.37	N/A
Service Reminder														
Service Reminder (Ongoing)	1,082	1,500	N/A	N/A	N/A	2,582	1,510	189	12.52%	$32,773.75	$7,986.73	$40,760.48	$215.66	$41.81
Service Reminder (First Year)	504	178	N/A	N/A	N/A	682	682	37	5.43%	$1,091.01	$3,130.41	$4,221.42	$114.09	$8.52
Service Reminder (Out of Warranty)	29	56	N/A	N/A	N/A	85	83	16	19.28%	$2,716.81	$6,768.10	$9,484.91	$592.81	$370.67
Service Reminder (Lost Customers)	447	214	N/A	N/A	N/A	661	532	21	3.95%	$5,448.96	$2,718.74	$8,167.70	$388.94	$19.76
Past Due Maintenance (Loyal 1)	N/A	799	N/A	N/A	N/A	799	440	94	21.36%	$10,314.95	$7,843.43	$18,158.38	$193.17	N/A
Past Due Maintenance (Loyal 2)	466	438	N/A	N/A	N/A	904	558	45	8.06%	$11,283.40	$3,071.47	$14,354.87	$319.00	$34.01
Total	2,528	3,185	N/A	N/A	N/A	5,713	2,970	402	13.54%	$63,628.88	$31,518.88	$95,147.76	$236.69	$41.77
After Service														
Service Thank You	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Declined Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Additional Services														
Accessories Off-Lease	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Anniversary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Appointment Reminder	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State Inspection	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Overall Program Totals	2,528	3,283	N/A	N/A	N/A	5,811	3,065	420	13.70%	$64,602.10	$33,180.40	$97,782.50	$232.82	$42.95

Naked Lime provides:

- Email campaigns bi-weekly
- All makes and models not brand specific
- Direct mail campaigns
- Service thank you emails
- Dormant customer retention
- Email and postal address appends and reporting
- Call tracking service
- Segments customers for unique marketing strategies
- Dailey and weekly click report

Naked Lime samples:



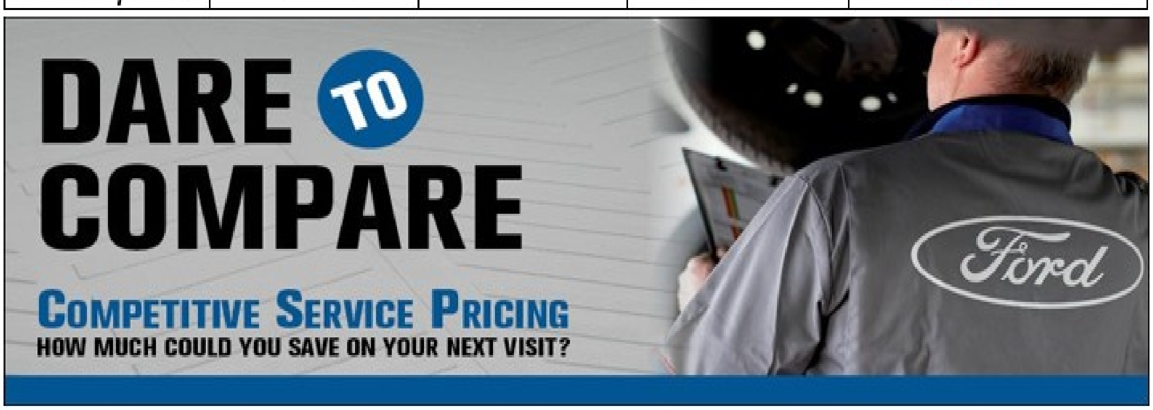


New Ideas Based on NADA Class:

We are in process for building out dare to compare to have it posted in our service drive, website, and on our advertisement tv's in our dealership. This will make customers aware of the benefits and value of servicing with Winner Ford of Cherry Hill and us as certified service center vs. the "other guys."

WINNER Ford
CHERRY HILL · winnerford.com

Company	Oil change	Tire rotation	Free Multipoint inspection	Factory Trained Technicians
Winner Ford	39.95	free with service	✓	✓
Valvoline	61.88	29.99	✗	✗
Pep Boys	74.99	free with service		✗
Jiffy Lube	67.99	24.99	✗	✗
Midas	49.99	29.99		✗
Local Independent	88.74	25		✗



Facility

Question:

- *What changes will we make to increase utilization (3rd homework calculation)?*

Insights: Build an action to increase facility potential to achieve NADA guide facility utilization rate to 75%.

Given that in the last year there has been significant issues with finding and keeping techs to get to a fully staffed shop and utilization has not been a focus, we will be building a plan to address improving our utilization rate from it's current level at 27% to 75% in a stepwise fashion. We will be tracking this metric on an ongoing basis moving forward.

FACILITY POTENTIAL	
Number of Bays	32
	x
Number of Days	27
	x
Number of Hours	10.5
	x
Effective Labor Rate	104.39
FACILITY POTENTIAL	$ 947,026

FACILITY UTILIZATION	
Total Labor Sales	$ 251,407
	÷
Facility Potential	$ 947,026
	equals
FACILITY UTILIZATION	26.55%

Productivity

Question:

- *How do we plan to increase our Tech Proficiency (4th homework calculation)?*

Insights: Build a plan to increase Tech Proficiency from 72% to guide (85%).

As noted above we have been working to build stability in our shop to hire and retain and then build those techs *that have potential. We do have a bonus plan but we will be looking at our NADA training to develop additional ideas for our 2020 action plan to achieve guide by EOY 2020.*

How proficient are your technicians ?					
	2,463.3	÷	3,400.00	=	72.45%
	Hours Billed		Hours Available		Tech Proficiency

Tech Proficiency Report 2019

	Tech Number	Name		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	01-Oct-17	08-Oct-17	15-Oct-17	22-Oct-17	30-Oct-17	OCT	NOV	DEC	Overall Average
1	006	SEAN BLAISDELL	Present	197.0	86.4	58.3	92.1	54.5	50.1	204.2	136.5	160.8	40.8	50.0	45.2	40.6		176.5			121.6
			On Jobs	42.0	25.4	14.8	61.9	13.4	15.1	101.2	60.3	58.9	23.0	13.7	13.5	16.7		66.9			46.0
			Billed	75.6	33.1	24.8	35.8	21.0	20.6	79.4	52.3	66.2	10.0	25.4	16.9	4.6		56.9			46.6
			Profitiency	39%	39%	39%	37%	41%	41%	39%	43%	42%	25%	51%	37%	11%		31%			39%
2	431	ERIC SAMPSOM	Present	182.3	150.3	157.7	190.8	143.6	122.6	189.8	91.3	139.8	43.0	41.7	43.8	42.3		170.7			153.9
			On Jobs	150.0	129.6	98.4	153.2	97.3	64.0	112.8	58.3	101.3	29.5	26.7	25.8	24.5		106.5			107.1
			Billed	75.4	54.1	79.7	77.4	47.1	50.5	83.0	32.7	63.2	23.1	20.3	17.7	25.4		86.5			65.0
			Profitiency	43%	37%	50%	41%	32%	46%	44%	41%	46%	54%	49%	40%	60%		51%			43%
3	690	DOMENIC VARALLI	Present	197.4	157.9	158.7	69.6						0.0		0.0	0.0					145.9
			On Jobs	95.5	85.9	77.1	30.3						0.0		0.0	0.0					72.2
			Billed	112.4	92.6	84.8	36.1						0.0		0.0	0.0					81.5
			Profitiency	57%	59%	53%	36%														51%
4	778	RAMON MORLEZ	Present	187.5	143.0	122.0							0.0		0.0	0.0					150.8
			On Jobs	53.8	47.9	34.9							0.0		0.0	0.0					45.6
			Billed	100.6	56.7	61.1							0.0		0.0	0.0					72.8
			Profitiency	54%	41%	50%															48%
5	780	CLYDE CASTLE	Present	188.3	161.8	164.2	204.4	155.1	113.7	155.3	106.5	155.3	41.0	40.9	32.7	40.9		155.5			156.0
			On Jobs	121.7	75.7	87.5	91.7	78.2	82.5	113.6	55.6	95.1	13.6	25.8	18.0	16.7		74.0			87.6
			Billed	136.7	72.1	120.1	114.6	101.1	80.8	134.9	63.9	114.7	19.2	27.1	17.7	18.3		82.3			102.1
			Profitiency	73%	44%	73%	56%	64%	74%	85%	68%	75%	47%	66%	54%	45%		53%			67%
6	787	MICHAEL WEIBLE	Present	181.5	159.2	156.6	80.7						0.0	0.0	0.0	0.0					144.5
			On Jobs	140.7	99.3	105.5	49.6						0.0	0.0	0.0	0.0					98.8
			Billed	104.5	76.0	90.0	27.4						0.0	0.0	0.0	0.0					74.5
			Profitiency	56%	48%	57%	34%														49%
7	875	DANIEL ZUNIGA	Present	186.9	145.4	154.2	192.7	137.4	113.9	180.3	64.7	29.4	0.0	0.0	0.0	0.0					133.9
			On Jobs	45.7	62.4	57.6	49.2	49.9	31.6	70.4	32.9	12.4	0.0	0.0	0.0	0.0					45.8
			Billed	97.3	62.7	73.0	55.0	60.5	36.6	70.2	29.4	15.8	0.0	0.0	0.0	0.0					55.6
			Profitiency	55%	43%	47%	28%	44%	31%	36%	53%	54%									43%
8	933	CHRISTAIN BROWN	Present	192.2	154.8	163.5	195.6	159.1	117.1	162.7	123.2	154.8	40.6	42.1	41.7	40.4		164.9			158.8
			On Jobs	114.3	105.4	105.0	120.4	98.6	74.3	111.2	83.1	96.5	23.2	26.1	30.0	25.3		104.6			101.3
			Billed	96.9	74.2	81.1	86.5	69.8	49.1	76.9	56.3	67.1	22.3	19.5	24.7	17.7		84.2			74.2
			Profitiency	50%	48%	50%	44%	44%	41%	47%	49%	43%	55%	46%	59%	44%		51%			47%
9	935	ERNEST FITHIAN	Present	188.3	162.3	162.3	200.0	145.0	109.8	181.2	112.9	136.6	40.3	40.4	24.2	39.0		143.8			154.2
			On Jobs	157.1	140.7	153.4	166.3	129.9	95.4	153.4	93.7	113.5	32.6	34.4	21.7	31.2		119.9			132.3
			Billed	117.3	106.9	106.3	117.3	100.9	43.0	132.4	64.4	78.7	23.4	28.7	15.4	15.7		83.2			95.0
			Profitiency	62%	66%	66%	59%	70%	45%	70%	59%	57%	58%	71%	64%	40%		58%			61%
10	961	ROBERT QUAILE	Present	49.2	28.1	19.8	68.4	134.5	110.8	189.8	109.3	137.3	15.7	37.6	37.3	40.5		131.2			97.8
			On Jobs	19.2	12.1	10.0	20.1	50.5	47.2	72.4	59.4	73.7	4.9	18.1	14.7	15.6		53.3			41.8
			Billed	18.3	14.7	9.8	28.2	66.5	48.9	80.2	53.6	60.3	7.0	18.5	10.4	15.6		51.5			43.2
			Profitiency	39%	53%	47%	49%	50%	44%	42%	49%	44%	44%	49%	28%	38%		40%			46%
11	979	JOSH POWELL	Present	36.9	157.7	157.6	158.8	124.2	118.5	183.7	41.6		0.0	0.0	0.0	0.0					122.4
			On Jobs	31.7	136.3	134.2	142.8	83.5	93.0	149.6	31.6		0.0	0.0	0.0	0.0					100.3
			Billed	82.1	95.5	82.7	71.8	48.8	46.6	90.1	26.1		0.0	0.0	0.0	0.0					68.0
			Profitiency	58%	59%	53%	46%	33%	40%	48%	63%										50%
12	987	JAMAL TROY	Present	34.0	41.1	35.9	155.9	156.5	114.7	185.8	96.6	156.2	23.8	0.0	0.0	0.0		23.8			100.0
			On Jobs	14.8	17.0	16.9	79.5	87.0	43.2	79.4	42.9	59.1	8.1	0.0	0.0	0.0		8.1			44.8
			Billed	59.3	51.8	63.8	62.2	66.3	49.7	70.6	46.7	48.4	13.4	0.0	0.0	0.0		13.4			53.2
			Profitiency	40%	32%	45%	39%	42%	42%	37%	44%	31%	56%					56%			41%
13	517	RYAN VICKERY	Present									56.4	40.4	40.1	38.5	40.0		159.0			107.7
			On Jobs									25.2	17.4	12.1	18.7	19.0		67.2			46.2
			Billed									13.6	22.5	17.3	22.3	13.5		75.6			44.6
			Profitiency									17%	56%	43%	58%	34%		48%			32%
14	515	AUSTIN GREENWOOD	Present											16.0	41.0	40.9		98.0			98.0
			On Jobs											2.3	34.6	25.3		62.2			62.2
			Billed											1.7	15.1	15.7		32.5			32.5
			Profitiency											11%	37%	38%		29%			29%
15	514	DENNIS PRYOR	Present												16.0	56.6		72.6			72.6
			On Jobs												0.0	20.9		20.9			20.9
			Billed												15.1	31.2		46.3			46.3
			Profitiency												94%	55%		75%			75%
			Hourly Shop Profitiency	44%	38%	44%	35%	37%	36%	40%	42%	36%	39%	36%	42%	35%		41%			39%

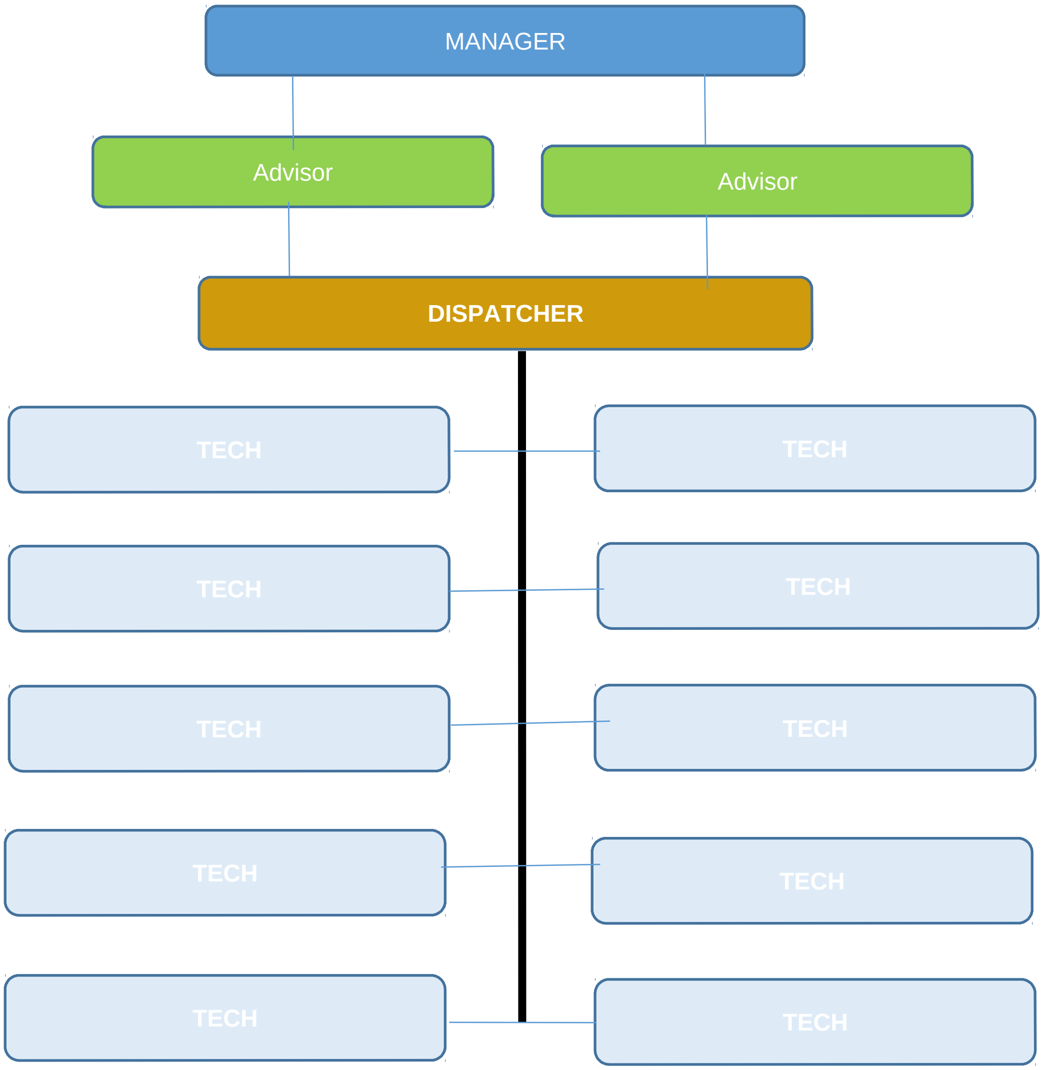
	Tech Number	Name		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	01-Oct-17	08-Oct-17	15-Oct-17	22-Oct-17	30-Oct-17	OCT	NOV	DEC	Overall Average
16	109	LEE CHAMBERS	Present	223.3	186.1	161.2	211.0	101.0	136.8	232.3	81.8	177.4	38.2	51.2	44.1	49.9		183.5			169.4
			On Jobs	217.2	177.0	172.8	192.4	89.0	119.0	217.8	98.2	198.5	47.4	38.8	52.4	48.3		186.9			166.9
			Billed	259.6	239.6	188.4	224.4	110.9	148.3	257.6	98.3	193.5	64.6	50.6	62.1	53.0		230.3			195.1
			Profitiency	117%	128%	117%	103%	103%	107%	110%	117%	111%	169%	99%	141%	106%		129%			114%
17	292	CHRIS BOHREN	Present	173.7	168.2	176.3	183.8	157.5	128.2	203.8	127.9	155.3	47.9	39.9	24.2	40.0		152.0			162.7
			On Jobs	140.6	156.4	162.2	124.7	143.3	106.0	209.1	117.2	133.6	45.5	41.7	18.4	35.7		141.3			143.4
			Billed	205.1	199.5	200.2	191.3	183.9	138.2	245.7	161.1	171.0	42.2	60.4	23.1	54.5		180.2			187.6
			Profitiency	118%	119%	114%	105%	117%	111%	122%	124%	110%	88%	151%	95%	136%		118%			116%
18	770	CHRIS ASHMORE	Present	226.9	195.8	171.0	229.9	175.8	128.3	221.5	133.5	95.9	0.0	0.0	0.0	0.0					175.4
			On Jobs	107.8	80.1	91.8	77.2	149.8	70.7	79.2	71.2	39.5	0.0	0.0	0.0	0.0					85.3
			Billed	220.5	179.5	157.0	191.9	182.5	92.4	199.8	128.1	68.4	0.0	0.0	0.0	0.0					157.8
			Profitiency	96%	93%	92%	83%	109%	72%	91%	92%	75%									89%
19	807	JEFF WILKINS	Present	35.1	41.2	12.0	157.7	172.9	129.3	190.9	142.7	177.6	16.6	44.2	34.7	26.7		122.2			118.2
			On Jobs	35.4	42.0	9.8	154.8	170.4	137.7	163.9	127.9	188.4	29.3	51.7	45.2	22.7		149.0			117.9
			Billed	177.3	180.3	41.3	173.2	187.6	160.6	212.6	152.5	185.4	43.9	58.6	41.7	20.0		164.2			163.5
			Profitiency	103%	108%	80%	108%	109%	115%	110%	105%	105%	265%	133%	120%	75%		148%			109%
20	838	STEVE STUSKI	Present	28.8	44.0	42.5	172.4	159.6	135.2	195.5	104.2	158.2	44.9	40.8	33.4	38.3		157.4			119.8
			On Jobs	22.3	33.3	31.7	131.6	113.8	85.6	153.8	91.0	144.0	40.7	32.8	34.3	26.9		134.6			94.2
			Billed	30.9	203.3	191.8	179.4	166.9	128.5	213.5	120.7	160.2	42.8	46.1	38.2	34.2		161.3			155.6
			Profitiency	102%	115%	112%	107%	104%	93%	110%	115%	101%	95%	113%	115%	89%		103%			106%
21	864	STEPHEN EVERETT	Present	41.9	38.1	38.2	168.6	173.2	129.1	216.3	131.6	153.1	42.4	51.1	16.9	51.9		162.2			125.2
			On Jobs	33.4	21.3	36.2	143.1	131.1	101.5	190.4	107.0	129.7	25.0	38.7	15.6	41.1		120.4			101.4
			Billed	128.9	152.5	176.1	209.6	200.1	120.1	244.8	131.4	129.5	36.1	35.1	24.6	46.3		142.1			163.5
			Profitiency	80%	100%	108%	117%	115%	94%	113%	102%	86%	85%	69%	146%	89%		97%			101%
22	887	MICHAEL CORNISH	Present	43.9	49.7	47.0	136.1	186.7	109.6	232.2	139.7	194.8	55.6	44.8	53.6	18.1		172.2			131.2
			On Jobs	16.0	25.0	15.8	67.4	97.1	53.0	181.0	67.4	96.9	31.0	30.7	38.9	16.6		117.2			73.7
			Billed	36.0	44.4	39.2	104.6	154.0	106.4	200.5	132.3	134.2	46.6	39.9	43.2	15.7		145.4			109.7
			Profitiency	82%	89%	82%	75%	84%	95%	86%	91%	70%	84%	89%	81%	87%		85%			84%
23	778	RAMON MORLEZ	Present			48.6	159.4	166.1	43.6	193.1	123.9		34.1	0.0	36.2	35.2		105.5			120.0
			On Jobs			40.7	128.0	67.7	19.3	142.4	89.7		16.4	0.0	29.6	42.4		88.4			82.3
			Billed			53.6	190.0	155.2	39.6	216.0	123.7		42.1	0.0	38.2	31.2		111.5			127.1
			Profitiency			110%	121%	93%	93%	112%	94%		123%		106%	89%		106%			104%
24	787	MICHAEL WEIBLE	Present				90.7	157.7	143.2	206.3	125.0	133.0	50.7	42.9	45.8	42.1		181.5			148.2
			On Jobs				70.7	138.6	111.0	161.4	103.1	86.5	32.5	35.6	33.4	21.2		122.8			113.4
			Billed				98.1	129.8	107.9	187.6	100.2	97.4	55.7	37.8	34.4	29.6		157.5			125.5

Production Methods

Question:

- *Will we make any changes to your service department?*

Insights: Based on learnings from NADA, we are building and testing a new dispatch strategy below as a way to optimize our production and cost of labor outlined in next section.



Analyze Cost of Labor

Question:

- *How do we pay the techs (1st homework calculation)?*

Insights: We are looking at our tech pay and how work is dispatched as a way to create a optimized approach for cost of labor going forward.

Cost of Labor						
Total Cost of Labor	3385.30	÷	Total Sales	=	25.48%	Percent Cost of Sales
Total Cost of Labor	3385.30	÷	Total FRHs	=	24.06	Cost per FRH

Changes in Expense Structure

Question:

- *Are we selling all the available hours, and are you expenses in line (2rd homework calculation)?*

Insights: We plan to update our Financial statement using Ford Guidelines in Jan 2020 and will re-evaluate our expense structure for more true insight.

As it stands our expense are not at guide and we will need to revaluate once we update our figures.

Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	$ 171,842		
Variable Expense		0.00%	
Selling Expense		0.00%	
Personnel Expense	$ 68,791	40.03%	
Semi-Fixed Expense	$ 31,094	18.09%	
Fixed Expense	$ 62,340	36.28%	
Unallocated Expense		0.00%	
Dealer's Salary	$ 12,303	7.16%	
Total Expenses	$ 174,528	101.56%	
Net Profit	$ (2,686)	-1.56%	

Pay Plans

Question:
- *Are any adjustments needed in our staff's pay plans and why?*

Insights: For the time being we feel our pay plans are ok but we welcome feedback.

Service Manager Pay Plan

1) WEEKLY SALARY $ 1,165.00
- (WEEKLY SALARY INCREASES 100.00 EVERY 3 MONTH TO A MAX OF A 1465.00 WEEKLY SALARY)

2) Weekly Draw: $ 0.00

3) Base Bonus: Paid Monthly
(1% Based on line 62 (Adj. Gross Profit) of the financial statement minus line 34 (Materials)
Calculation = (Line 62 minus Line 34 of the current month financial statement) x 1%)

4) YEAR END BONUS: PAID ANNUALLY
- STARTING YEAR 2020- BASED ON INCREASE OVER PRIOR YEAR PROFIT, LINE 62 ON THE DECEMBER YEAR-END FINANCIAL STATEMENT MINUS LINE 34 DETAIL
- CALCULATION = LINE 62 MINUS LINE 34 OF THE DECEMBER YTD FINANCIAL STATEMENT = TOTAL YEAR PROFIT (TYP)

TYP Current Year – TYP Previous Year)
--- x 100 = % Improvement
TYP Previous Year

- (Line 62 Minus Line 34 of December YTD Financial Statement) x % per table

% Profit Improvement Year over Year	**% Bonus**
6.0 - 7.9 %	0.25%
8.0 - 9.9 %	0.50%
10.0 - 12.4 %	0.75%
12.5 - 14.9 %	1.00%
15.0 <	1.20%

5) **Customer View Point Bonus: Paid Annually**
- Based on Final YTD standing as posted by Ford Motor Company

CVP Rank to Group	**Bonus**
Top 30%	5,000
Top 10%	10,000

Service Advisor Sample Pay Plan

A. WEEKLY SALARY:	$500.00					
B. WEEKLY DRAW:	$ -					
C. MONTHLY BONUS:	$ -	to	$ 60,000	0.75%		
	$ 60,001	to	$ 80,000	1.25%	RETRO-ACTIVE TO ALL INDIVIDUAL SALES	
	$ 80,001	to	$ 100,000	1.50%		
	$ 100,000	+		1.75%		

D: GROUP BONUS: 1.50% OF TOTAL GROSS PROFIT PARTS AND LABOR FOR: CUSTOMER PAY, ESP, WARRANTY, INTERNAL, and OTHER MERCHANDISE

THIS BONUS WILL BE DISTRIBUTIED BASED ON THE INDIVIDULAL'S PERCENT OF GROUP SALES AND REDUCED BY NINE PERCENT (9%) FOR EVERY DAY ABSENT FROM WORK THAT IS NOT AND APPROVED VACATION, HOLIDAY OR TRAINING DAY.

EXAMPLE: ONE AND ONE-HALF PERCENT (1.5%) OF GROSS PROFIT = $2000.00 (ASSUMED)

ADVISOR	GROUP SALES	% OF BONUS	ABSENT DAYS	ADJUSTMENT		TOTAL BONUS EARNED
A	20	$400.00	2	-18%	$ (72.00)	$328.00
B	30	$600.00	0	0	$ -	$600.00
C	25	$500.00	1	-9%	$ (45.00)	$455.00
D	25	$500.00	2	-18%	$ (90.00)	$410.00

E: VIEW POINT BONUS: CALCULATED AS A % OF (BASE PAY + MONTLY BONUS + GROUP BONUS)

Pre-Requisite: Minimum 7 returned surveys required for View Point Bonus participation

VIEW POINT SCORE			
under 80	0%	75%	CALCULATED BASED ON INDIVIDUAL CONTRIBUTION / SCORE
80 - 84	3%		
85 - 89	5%	25%	CALCULATED BASED ON GROUP CONTRIBUTION / SCORE
over 90	7%		

EXAMPLE: ONE AND ONE-HALF PERCENT (1.5%) OF GROSS PROFIT = $2000.00 (ASSUMED)

ADVISOR	BASE PAY + INDVIDUAL BONUS + GROUP BONUS	INDIVIDUAL VIEW POINT		GROUP VIEW POINT		INDIVIDUAL VP BONUS	GROUP VP BONUS	TOTAL BONUS EARNED
A	1241	82	3%	85	5%	$27.92	$15.51	$43.44
B	2132	93	7%	85	5%	$111.93	$26.65	$138.58
C	1815	88	5%	85	5%	$68.06	$22.69	$90.75
D	1770	75	0%	85	5%	$0.00	$22.13	$22.13

THIS PAY/BONUS PLAN IS SUBJECT TO REVIEW, CHANGE OR MODIFICATINO AT THE SOLE DISCRETION OF WINNER FORD.

ALL BONUSES ARE SUBJECT TO ADJUSTMENT BASED ON FORD MOTOR COMPANY CHARGE-BACKS AND/OR AUDITS

JANESSA ALICEA

MICHELLE HATZIS

(DATE)

(DATE)

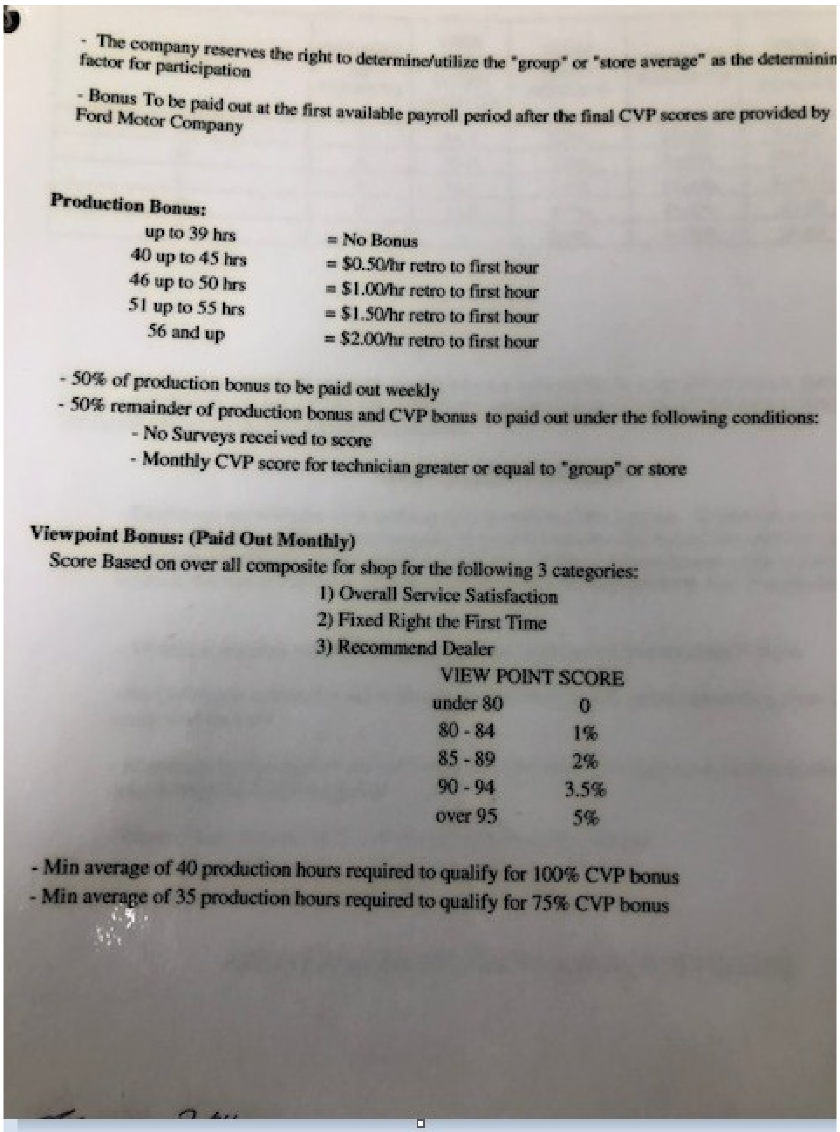
Details Performance Programs

Question:

- *What are the plans for setting objectives, tracking and communication?*

Insights: Review and update our approach for Performance programs in 2020 as needed.

- *We currently track proficiency on a weekly basis*
- *Technicians are paid per contract and have to keep proficiency levels up or they will be demoted to a lower pay class*
- *Productivity bonus are paid starting at 40 hours produced*
- *Technicians receive ½ of bonus weekly and the other half at end of month based off CSI as per contract*



- The company reserves the right to determine/utilize the "group" or "store average" as the determinin factor for participation

- Bonus To be paid out at the first available payroll period after the final CVP scores are provided by Ford Motor Company

Production Bonus:

up to 39 hrs	= No Bonus
40 up to 45 hrs	= $0.50/hr retro to first hour
46 up to 50 hrs	= $1.00/hr retro to first hour
51 up to 55 hrs	= $1.50/hr retro to first hour
56 and up	= $2.00/hr retro to first hour

- 50% of production bonus to be paid out weekly
- 50% remainder of production bonus and CVP bonus to paid out under the following conditions:
  - No Surveys received to score
  - Monthly CVP score for technician greater or equal to "group" or store

Viewpoint Bonus: (Paid Out Monthly)

Score Based on over all composite for shop for the following 3 categories:

1) Overall Service Satisfaction
2) Fixed Right the First Time
3) Recommend Dealer

VIEW POINT	SCORE
under 80	0
80 - 84	1%
85 - 89	2%
90 - 94	3.5%
over 95	5%

- Min average of 40 production hours required to qualify for 100% CVP bonus
- Min average of 35 production hours required to qualify for 75% CVP bonus

Level of Current Training

Question:

- *Are you within the minimum training standard for your manufacturer?*

Insights: We monitor all Ford Manufacturing requirements and our teams are up to date in training.

•

STARS

STANDARDIZED TRAINING AND RESOURCE SYSTEM

Welcome Edwards, Nicholas | Logout

30-Oct-2019 05.22PM EST

My Information **Class Schedules and Catalog** **Manage Employees**

Home » Shop and Technician Competency Status

Print

Shop and Technician Competency Status

Details

Country: United States	**Dealer Code:** 01248
Dealer Name: Winner Ford	**Sub Dealer Code:**

13 records found, displaying all records **1**

Warranty Code	Certification Title	Min # to be Trained	Actual # Trained	Shop Competency Status	Edit Deferral Begins	Edit Deferral Expires
31	Gasoline Engine Performance - 31	4	11	Competent		
32	Gasoline Engine Repair - 32	7	12	Competent		
33	Steering and Suspension - 33	6	13	Competent		
34	Electrical Systems - 34	5	13	Competent		
35	Climate Control - 35	7	12	Competent		
36	Manual Transmission and Drivetrain - 36	4	10	Competent		
37	Automatic Transmission - 37	3	8	Competent		
38	Brakes - 38	5	11	Competent		
39	Electronic Systems - 39	3	8	Competent		
51	Diesel Engine Performance - 51	2	2	Competent		
52	Diesel Engine Repair - 52	5	10	Competent		
60	Lincoln Pre-Delivery Inspection - 60		5	N/A - Tech Competency Required		
66	Ford GT Certification - 66		0	N/A - Tech Competency Required		

13 records found, displaying all records **1**

Special Tools

Question:

- *What do we currently have for the techs? Is it neat and organized, or unorganized and a mess)?*

Insights: New location for Special Tool closer to shop in 2020

Given this exercise we examined our process for special tools and found, our tool room is located on the 2nd floor of parts department which is a very inconvenient location for operational efficiency. Our tools are disorganized and not categized. We have made an action plan priority to move the tools directly next to our shop and organize via a catalog going forward. See action plan for details and see photo of current situation below.

100 Repair Order Analysis

Question:

- *Provide a recap of our analysis?*

Insights: Create action plan items to achieve NADA guide in the following areas.

- *Customer ELR is -29.23 below target and needs to improve*
- *Competitive and maintenance need to be accessed and make sure the correct technician is doing the work to hold maximum gross in which would also affect cost of labor*
- *Mix of work is close to NADA*
- *73% of 1 line repair orders is excessive*
- *Reduce 1 line repair orders will increase overall repair order measurements*
- *We currently service over 50% older than 2015 vehicles in return shows we are leaving excessive money on the table with 1 item R.O's*

Repair Order Analysis Summary Report

	Sales in Dollars		FRH's on RO's		Averages	Analysis
Competitive	$ 1,733	÷	47.60	=	36.40	FRH Average
Maintenance	$ 1,836	÷	20.80	=	88.27	FRH Average
Repair	$ 9,719	÷	72.30	=	134.43	FRH Average
Totals	$ 13,288	÷	140.70	=	94.44	Customer ELR
			Target Labor Rate		123.67	Per FRH
Total Ro's in Sample	100		Difference		-29.23	Per FRH

Cost of Labor

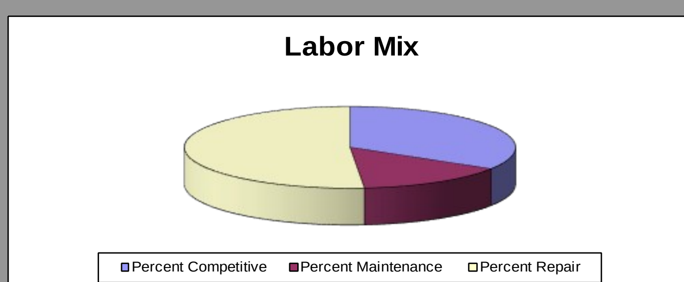
Total Cost of Labor	3385.30	÷	Total Sales	=	25.48%	Percent Cost of Sales
Total Cost of Labor	3385.30	÷	Total FRHs	=	24.06	Cost per FRH

Repair Order Measurements

Total Labor Sales	13,287.88	÷	Total ROs	=	132.88	Avg Labor per RO
Total FRHs	140.70	÷	Total ROs	=	1.41	Avg FRH's per RO
Menu Sales		÷	Total ROs	=		Percent Menu Sales
Competitive FRHs	47.60	÷	Total FRHs	=	33.83%	Percent Competitive
Maintenance FRHs	20.80	÷	Total FRHs	=	14.78%	Percent Maintenance
Repair FRH	72.30	÷	Total FRHs	=	51.39%	Percent Repair
One item ROs	73	÷	Total ROs	=	73.00%	Percent One Item RO

Model Year Analysis

2020	2019	2018	2017	2016	2015	Older	Total
0	5	13	12	6	11	53	100
0.00%	5.00%	13.00%	12.00%	6.00%	11.00%	53.00%	



Qualitative SWOT Analysis

Winner Ford of Cherry Hill's SWOT Analysis was conducted leveraging feedback from our service managers, service writers, shop foreman and technicians to help identify the key issues for the SWOT. We then worked as a leadership team to develop new objectives, strategies that led to a high level action plan with priorities that our Service team will work towards in 2020.

Below you will find a brief summary for our SWOT (Strengths, Weaknesses, Opportunities, & Threats) that was created with our service team and informed our approach for our action plan for priorities for Q4 2019 through Q3 2020.

Strengths

- Shop Forman
- Volume of work
- Experienced staff
- Technicians work together
- Large parts department
- Large shop with 32 bays
- Mix of vehicles
- Municipal fleet accounts and contracts
- Technology and computer equipment

Weaknesses

- Parts availability
- Special tool organization
- Scheduling structure
- Slow approvals at times
- Messenger not working at this time
- Communication
- Lack of technician's
- Completion times
- Process training
- Saturday appointments
- Unity of techs and writers
- Need more info on repair orders

Opportunities

- Large vehicle fleets in our market area
- Ford ongoing training
- Certified Ford EV dealer

- Can extend hours to get a edge on competitors in our market area
- All makes and model service availability

Threats

- Customer Satisfaction
- Economy changes
- Ford discontinuing several sedan models
- Warranty reducing labor times
- Excessive part backorders
- Certified technician shortages
- 5 dealers within 15 miles

Our NEW Objectives

- Extend service hours during the week
- Increase technician overall proficiency
- Consistency with department procedures
- Build out shop loading for appointments
- Reduce one line repair orders
- Increase department labor hours and dollars per RO
- Look into and adjust competitive and maintenance labor rates
- Hire a shuttle driver
- Advertise at local hospitals and speed line offering valet service
- Move technician tool room

Strategies

- Turn on shop loading software in DMS and load percentages
- Post up to date dare to compare pricing board
- Discuss marketing to fleet, hospitals, and high speed line
- Extend shop hours to 9pm
- Advertise all make and model service
- Lock service advisors out of discounting parts and labor
- Improve technician proficiency by removing road blocks

Tactics

- Discounts limited to manager access in DMS
- Hire for extended hours and adjust other later shift tech hours
- Have valet service for hospitals and speed line
- Make a fleet brochure for fleet companies
- Build out service menu for service intervals
- Spiff for employee recruitment for current employees
- Have a parts runner to deliver parts to technicians
- Perform monthly competitor survey to keep pricing competitive
- Advertise all makes and models in naked lime marketing
- Bi-weekly tech meetings to discuss procedures

Action Plan

Priority/Description	Responsible	Expected Completion
1) Clarify Objectives/Goals based on NADA assignment and learnings & Communicate to Service Teams	Fixed Ops Dir	11/30/2019
2) Establish Customer Service expectations for service for each area and build training to support teams in meeting/exceeding goals specifically in phone skills, 1-1 customer interactions, etc. Milestones: -Define expectations -set goals for each division and confirm buy-in -explore options for training/select a vendor -conduct training -track progress/outcomes on a monthly quarterly basis	Fixed Ops Dir. Service Manager	4/1/2020 11/2019 12/2010 1/2020-4/2020 4/2020
3) Offer extended service hours moving from 8-530 to new hours TBD Milestones: -do a competitive analysis review of our competitors hours -define new hours of operation and consult with NADA for best practice models for hours, staffing, etc. -review with team to create buy-in -finalize our model/business plan and create metrics to track/measure ROI -recruit/hire parts, techs, advisor) -Marketing/Advertising plan and launch plan -Train staff	Fixed Ops Dir. Service Manager	2/1/2020 11/1/2019 11/11/2019 12/1/2019 12/15/2019 Ongoing Ongoing Ongoing

Priority/Description	Responsible	Expected Completion
-launch		2/1/2020
-Bob and Larry gives us a High Five		3/2020
4) Valet Drivers – to support greater convenience for our customers and as a competitive differentiator to mobile service. We pick you up and return your car	Fixed Ops Dir.	2/1/2020
Milestones:		
-review best practices and competitions program to build our model of service	Service Manager	11/2019
-meet with team to create buy in		
-create ROI measures to evaluate progress		
-recruit/hire/train		1/2020
-launch		2/2020
5) All makes and models to support our extended service hours	Fixed Ops Dir, Service manager and Parts manager all working t/g	2/2020
Milestones:		
-Consultation with NADA for templates/tools best practices		11/2019
-Look into parts consignment		12/2019
-Marketing/Advertising plan along with Extended service hours plan		
-team meeting		1/2020
-training		2/2020
-launch advertising		
6) Dispatch Guidelines	Service Manager	12/2019
Milestones:		
-Group Techs by class		
-meet with dispatcher to set expectations with Fixed Ops Dir & service manager		
7) Shop Loading for better efficiency	Service Manager	3/2020
Milestones:		
-contact DMS for set ups templates		1/2020
-set up hours available for the day		
-finalize set ups		2/2020
-train appointment coordinator		
-Turn system on director	Fixed Ops Dir	3/2020
8) Creation of Service Menus for customer satisfaction and transparency and better alignment for service advisors	Service Manager w/ approval of Fixed Ops Dir	2/2020
Milestones:		

Priority/Description	Responsible	Expected Completion
-perform competitor survey -Set maintenance labor rate -Set up parts markup -Set maintenance interval -build rough draft -Approve draft -Sed copy to fluid company -Train Advisors -Train Foreman & Techs		11/2019 12/2019 12/2019 1/2020
9) Fleet Pricing Milestones: -prospect fleet companies -set fleet discount labor rate -set fleet parts discount -build fleet brochure -market to fleet	Fixed Ops Dir	2/2020 11/2019 12/2019 2/2020
10) Marketing/Advertising: "Dare to Compare" to show value of Ford Certified Service and creating competitive advantage Milestones: -competitor survey for pricing & build plan to update over time -design layout and proof with designer -add to all marketing channels such as website, TV boards in dealership, in service lane, at advior desk, etc. -Survey to stay current quarterly	Service Manager w/ approval of Fixed Ops Dir	1/2020 11/2019 12/2019 1/2020
11) Discount approval Milestones: -Remove access from dms from all service advisors -Put special labor ops in for coupon specials	Service manager	11/2019
12) Biweekly Tech Meetings (30 min max) - Review any new recalls, technical service bulletins , and special service messages - expectations of daily technician responsibilities - bring up any tool or equipment issues - discuss issues	Shop Foreman w/ Fixed Ops Dir supporting as needed	
13) Biweekly Advisor meeting (30 Min Max) - Review metrics of csi,dollars per ro, 1 line repair orders ,d effective labor rate - Make advisors aware of any service specials	Service Manager w/ Fixed Ops Dir Support as needed	

Priority/Description	Responsible	Expected Completion
- Discuss issues		
14) Managers meeting - Review forecasts, financials ,and department performance mtd/ ytd comparisons - Discuss any changes or any issues	Fixed Ops Dir	
15) Quarterly 1 on 1 meetings -review attendance, certification, proficiency, cleanliness, and training	Fixed Ops Dir & Service manager	
16) Parts Runner for more efficiency for Tech -define expectations and create buy in -recruit/hire/train	Fixed Ops Dir & Parts Manager	12/2019
17) Tool Room Relocation for more efficiency for Techs Milestones: - Inventory, label, and catalogue all tools in one central location - Install tool storage in new room in service drive - Move all tools to new area organized by year - Install lock on tool room give 4 keys out to management - Put process in place that all tools have to be signed out by Forman	Shop Foreman	1/2020
18) Spot bonus for Tech recruiting. Refer a tech who is able to stay for 12 months and obtain a bonus	Dealer & Fixed ops Dir	12/2019

Our Synopsis

Winner Fords level priorities summarized below.

- Winner Ford is in a prime area that has considerably grown over the years. Even though there is 5 Ford dealers in the immediate area Winner Ford has continued to keep a large loyal customer base and fleet connections.
- Based on learnings from NADA, we have decided we will extend our service hours! When we extend our service hours with pick up and drop off service we will have a leading competitive edge over our competition.
- Fix 1-line ROs. There is no question that we are leaving a considerable amount of gross on the table with the amount of 1 line repair orders with over 50% being over 4 years old.
- Creation of a service menu. With supplying the service advisor and technicians a service menu with recommended services by age/miles will give everyone a vast knowledge of what is needed when. This will leave no room for excuses of why the customer wasn't offered any additional service. Also to gain additional gross we will have specific dispatch guidelines to make sure lower labor maintenance and competitive items are given to lower paid technicians.

- Integrated Marketing/Advertising plan. Winner ford has two aggressive service advertising and marketing options for email/direct mail. We will continue to use ford for our COOP money and to keep in front of the Ford customer base with Ford brand advertisements. Ford also monitors and markets to customers who declined immediate repair items on the multipoint inspection for brake, tires and batteries. Naked Lime will be leveraged to market to all makes and models. help get the word out on our extended hours and our valet pick up and drop off service. Naked lime will continue to append our email addresses and mailing addresses as our clients base grows in which we can import to our CRM. This will in return benefit the dealer as a whole. Ford Motor Company does not give us reports on appended information to update our CRM.
- Tech Proficiency plan includes:
  - We plan is to increase technician proficiency as we are only at 72%.
  - Parts Runner. We will add a parts runner to deliver parts to technicians to keep them in their bays.
  - Quarterly reviews with technicians to set expectations.
  - Dispatch production method. With the dispatch guidelines set the right technician will get the job set for there skill level. This in return will not just increase proficiency but also will move jobs quicker through the shop to sell more and increase customer satisfaction for customer retention.
- In summary, going forward we will use this exercise on a annual basis to help build our action plans annually and track progress.