

FRANK BONFRISCO

MATT BLATT MITSUBISHI

CLASS 359-12

ANALYSIS FOR JANUARY 2020

Service Department Sales And Gross (Labor Only)

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 61,219	\$ 40,501	66.16 %	51.43%
Customer Truck			0%	0%
Customer Other			0%	0%
Warranty	\$ 17,613	\$ 11,573	65.71 %	14.80%
Warranty Other			0%	0%
Internal	\$ 40,192	\$ 29,239	72.75 %	33.77%
NVI / Road Ready			0%	0%
Adj. Cost Of Labor			0%	0.00%
Total	\$ 119,024	\$ 81,313	68.32 %	100.00 %

Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 121,352		
Variable Expense	\$ 35,542	29.29%	
Selling Expense		0.00%	
Personnel Expense	\$ 64,668	53.29%	
Semi-Fixed Expense		0.00%	
Fixed Expense	\$ 47,563	39.19%	

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Unallocated Expense		0.00%
Dealer's Salary		0.00%
Total Expenses	\$ 147,773	121.77%
Net Profit	\$ (26,421)	-21.77%

NADA ACTUAL SERVICE ANALYSIS					
Performance					
	<i>Labor Sales / Month</i>		<i>Hourly Labor Rate</i>		<i>Hours Billed</i>
Customer Car*	\$ 61,219	÷	40.00	=	1530.5
Customer Truck*		÷		=	0.00
Customer Other*		÷		=	0.00
Warranty	\$ 17,613	÷	27.00	=	652.3
Internal	\$ 40,192	÷	27.00	=	1488.6
New Vehicle Prep		÷		=	0.00
Total	\$ 119,024				3671.4
POTENTIAL					
	\$ 119,024	÷	3671.40	=	\$ 32.42
	Total labor sales for month		Total hours billed		Effective Labor Rate
	12.00	x	12	x	27
	# Service mechanical technicians		# Hours/Day		Working Days/Month
	3,888.0	x	\$ 32.42	=	\$ 126,046
	Clock Hours Available		Effective Labor Rate		Labor sales potential
How proficient are your technicians ?					
	3,671.0	÷	3,888.00	=	94.42%
	Hours Billed		Hours Available		Tech Proficiency
Customer labor divide by the Customer Effective Labor rate from the R. O. Analysis					

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FACILITY POTENTIAL	
Number of Bays	10
	x
Number of Days	27
	x
Number of Hours	68
	x
Effective Labor Rate	99
FACILITY POTENTIAL	\$ 1,817,640

FACILITY UTILIZATION	
Total Labor Sales	\$ 119,024
	÷
Facility Potential	\$ 1,817,640
	<i>equals</i>
FACILITY UTILIZATION	6.55%

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A brief history:

Matt Blatt Tire and Auto Service Center has been open for approx.. 15 years, and operates as a free standing service center.

Matt Blatt Tire and Auto operates as a Good Year Tire Franchise.

Matt Blatt Auto sales acquired Mitsubishi in July 1016 and became Matt Blatt Mitsubishi.

The service center is about 1 mile from the sales department.

Both Matt Blatt Mitsubishi Sales and Matt Blatt Tire and Auto are located in Glassboro NJ.

Glassboro is a college town. Rowan University is less than a mile from both the Dealership and the service center.

Strengths

One of the reoccurring strengths that the service employees see at Matt Blatt is that Matt Blatt Service continues to take care of its customers. Matt Blatt Sales and Service has believed for the past 30 years that customers have to be taken care of. One of our CORE Values is "We value all customer, vendor and banking relationships, even the ones that we do not agree with. No one will be punished for using good judgement and good old common sense when accommodating one of these people: even if it breaks our other rules".

The service center has a strong presence at Rowan University and try to accommodate Staff and Students with shuttles and pick up and delivery.

Service continues to train its staff, and video its staff during training exercises to show how to interact with customers.

Many customers do not associate the service center with a New car dealership service center. Currently this has been working to an advantage- Customers perceive a New Car Dealership as a higher priced.

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Weaknesses

Our competition locally has been Nationally Advertised Franchises. Mr. Tire, Pep Boys, Advanced Auto, Midas, and Firestone are all within Glassboro Limits. (The closest Mitsubishi Dealership is Approx 20 miles away).

Our hours of operation need to be expanded.

Currently we are open 7am to 7pm Mon- Fri, and 8am to 4pm Saturday. We are closed Sunday

Our Matt Blatt Mitsubishi sales department is open Mon thru Thursday 830am to 9pm, Friday 830am to 8pm and Saturday 830 am to 6pm.

We need more space at our service center. Some of the customers have complained it is hard to find parking. The techs and staff members sometimes find it difficult to get service work in and out, due to limited space.

Opportunities

We have a tremendous opportunity for growth.

Our Matt Blatt Mitsubishi Sales department has been able to purchase the 2 acre lot next to the current dealership. Our sales department is going to increase from 1 acre to 3 acres. We will be able to store all new and used autos at the sales department. This will allow the service department to utilize their entire lot for service customers. (Service currently holds approx. 70 New Mitsubishi's)

We have operated as a New Mitsubishi franchise for approx.. 3 ½ years. New Mitsubishi work accounts for less than 15% of our service work. As we continue to sell more New Mitsubishi's these customers will start to require work. We have just begun to trade some of the early customers out of their "New" purchases made in 2016/2017. Thus also increasing internal.

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We added Triple A (AAA) Towing in the last 5 months and Tow Backs have steadily increased.

We added "INTOX" This service requires a breath detector to be installed on cars due to motor vehicle violations. This should be operational in 2 months.

We will be adding NJ STATE INSPECTIONS.

Threats

A threat to the service department has been getting qualified techs. Locally competing with the national franchises for labor.

Another threat has been the National Franchises locally advertising deep discounts on tires.

Strategies

We continue to add income streams to our existing service department.

We encourage and have incentives in place for our AAA tow truck drivers for tow backs.

We have implemented an incentive program to our sales staff at Matt Blatt Mitsubishi. When a salesperson takes a customer to the service department and introduces the potential customer to a service advisor or the service manager, as part of their "service walk" during the " Steps To A Sale". The salesperson receives an additional \$25.00 to their commission.

We offer the First oil change complimentary to any vehicle purchased new or used.

We recently implemented a 4-10hr shift at the service department to increase our service hours.

Tactics

Operating as a Free standing Service center 1 mile from the New car dealership, our service department is able to use this separation as a tactic to attract customers that would not normally get to a car dealership.

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Action Plan

By April 30th 2020 Have "INTOX" equipment installed. Have service manager track new accounts and offer free oil change to retain as a service customer.

By April 30th 2020 advertise "We offer NJ SATE INSPECTIONS" This will be by our Social Media director. Have service manager track all new accounts.

Action plan Cont.

By March 30th have social media director advertise to all existing Mitsubishi customers a discounted oil change/ w tire rotation. Have service manager track the increase in Mitsubishi customers.

Synopsis

Matt Blatt Has been in business for over 30 years as a family owned and operated car dealership, and has strived to take care of its customers. The service department will see an increase in customers and internal work due to the expansion this year. The Matt Blatt Mitsubishi will be adding approx.. 120 spaces to the dealership. This will alleviate some of the space issue at service, but also increase internal work dramatically.