

**Service Department Analysis for VALLEY HINO TRUCK
INC, DBA VALLEY ISUZU” Laura O’Donnell ATD 036-student
number:18**

Qualitative Analysis

Strengths

- 1. Great Staff with years of experience- from technicians to the Service Management and Service Director dating with experience of over 35 years , who has been with Valley for almost his whole career**
- 2. Good/ Dependable and loyal people that work for the company**
- 3. Experienced technicians that will in the future help provide successors to the company for the Service Department**
- 4. Over 120 years of experience plus managers that were technicians at some point or worked in body shop(Matt B our new Service Advisor worked for Rush International in the body shop and Pat F worked as a Class 8 Technician for close to 9 years)**
- 5. We work on a variety of stock and brands- Ford,Hino,Freightliner,WesternStar and Isuzu as well as receive some International work . This allows us to have a variety of work rather than working on the same truck the whole time**
- 6. We have great coverage across the locations- We cover the Northern and Southern Region of Ohio as well as in between those two locations for a total of 3 larger locations**
- 7. Hands on management with technicians and issues. Pat is constantly out working on trucks with us if we are having an issue on a job or need to speak about an issue with him out in the shop in regards to the job**
- 8. Hino and Isuzu training available multiple times per year to the Technicians to help stay relevant in the brand(s) learn about the changing product**
- 9. Family owned with benefits, the company brings in various Insurance Companies and has provided us with a current 401k plan for retirement**

Weaknesses

- 1. Poor organization at times- The shop is not always organized in such a fashion that we can work efficiently**
- 2. Shop equipment is not up to standards: The air dryer on compressor is broken, we need new air jacks as they are starting to go out, we need our oil pump fixed, need another torch for welding, , and need to make sure that the hino specialty tools are on order which are pretty expensive**
- 3. Hino's Parts Process- CDK and Hino's system are having issues which is effecting service because it is not prompting a re-order of parts because they are having technical difficulties with the system currently**
- 4. "Skeleton Crew" lack of technicians, specifically would need 1 more technician as well as 1 more dedicated Parts person to pick tickets for the Service Department- Service Department is not getting the Parts fast enough!**
- 5. All departments need to work together as a team- no more conflict between Sales Department and Service or Parts not working with Service**
- 6. Lack of communication: This is a lack of communication between the Service and Parts Department as well as on stories sometimes**
- 7. Layout of building is challenging.**
- 8. Some equipment needs to be replaced.**
- 9. Hostility between techs and Parts**
- 10. Broken or wrong shop tools**
- 11. Wrong tech mentality on jobs**
- 12. Comebacks on trucks**
- 13. Confusion between customer complaints and what is on the repair order**
- 14. Lack of incentive**
- 15. Hostility among technicians if they are having a bad day**
- 16. No motivation or team building**

- 17. Location/ business effected by people not “knowing where we are”**
- 18. Lack of qualified technicians**

Opportunities

- 1. Selling the business in Service /Parts to help in allover attempt to gain more work**
- 2. Customer relations training**
- 3. Working together as an internal team**
- 4. Getting the reps to stand behind the customer relations training**
- 5. Training - for brands/as that is always considered an opportunity**
- 6. Education**
- 7. Health programs and utilizing them more**
- 8. Room for growth with more and new Service customers**
- 9. To expand the knowledge of our dealership to outside of the MEDINA area**
- 10. To start working Saturday hours once we can find another technician**
- 11. To make a service menu and utilize it for every day appointments**
- 12. To create successor's and better technicians**
- 13. To create a culture in the Service Department that people want to work for**
- 14. To hire , train and motivate always**
- 15. To improve our service process with the NEW, and USED department as well as with the customer pay / warranty areas**

Threats:

- 1. Units that sit for too long in the Service Department(ro's open too long)**
- 2. Other dealers taking the work from us: Would like to have a dealership open in the Akron Canton area to take over the market**
- 3. Other local shops non OEM taking work from us with a "lower door rate"**
- 4. Being offered a higher amount to work somewhere else/for another shop**
- 5. Lack of drive**
- 6. Improper shop tools that could harm employees**
- 7. Nearby dealerships**
- 8. Nearby local shops**
- 9. Hostility among workers**

Objectives/Strategies/Tactics

Objectives:

- 1. To monitor tech efficiency and productivity and proficiency of each technician**
- 2. To improve gross/upsell on customer pay repair orders while retaining a satisfied customer**
- 3. To find reason of “tech hostility” and stop it immediately**
- 4. To solve the issue of “equipment issues”**
- 5. Increase gross**
- 6. Change culture at Valley**
- 7. Increase Communication between Parts and Service by Meeting/monitoring items**
- 8. To increase the number of daily repair orders written to 5-6 per day totaling 150 for the month for an average of \$60,000 if each repair order is around \$400 profit made on the sold hours**

Strategies: (in order from above objectives)

- 1. The Service Advisor has sat down with the staff of technicians to make them aware he will be reviewing them by efficiency , productivity and proficiency and they are being monitored by those numbers**

2. Changes in scheduling systems to increase customer satisfaction-currently with higher demand and lower amount of technicians we are struggling until we find more technicians(need another 2 spots for 8:30-5 p to fill the amount of work we currently have in the shop)
3. Meeting with top 10 VIP Customers and creating a VIP customer list(have already had 1 meeting with a customer and are picking 9 more to meet with and have a form signed with special door rate(adjusted) to lock them into our shop.
4. Increasing door rate from 116.50 - 121.50 per hour(already affective)
5. Decrease guaranteed hours if technician is found to have high amount of unapplied time and is not hitting their numbers
6. Increase productivity by fixing the equipment issues we are having in the shop(have created a list and is in process)
7. Discussion of lost sales parts tracking to deal with the issue that Hino is having(their system is not reorder or giving us suggestive ordering on parts that we sell the most of due to a conflict with CDK)
8. Shop meetings "5 minute" meetings in the morning to review an "upsell of the week" which will be run by the Service Advisor and monitored by the Service Manager
9. Review of housekeeping issues during the 5 minute meeting
10. Implement a USED truck process for internal that will allow both Service and USED to work together and Service to get the USED truck Parts and Service business-in the past the 2 departments have butt heads due to the fact that it is taking "too long to get trucks front line ready"
11. Have Service Advisor monitoring upsells for technicians with low upsell gross
12. Weekly Parts and Service Meetings to discuss lost sales
13. Weekly Meetings to discuss items with Service Manager(if we are hitting forecast and if not what we are doing to try and hit it)
14. The Service Manager must pull TPR reports from CDK daily and review with the technicians weekly if they are seeing issues on their productivity , efficiency and proficiency
15. Numbers for upsell per technician must be reviewed on a weekly basis to see if the tech is upselling on jobs and if so what and how much they are upselling. Maybe it is a matter of laziness, but may also be a matter of educating them

Action Plan

Task	By Whom	Completion Date
Adjust tech schedule to max growth per forecast	Service Manager	ongoing

Extend Service hour weekday 1,2017	Service Manager	October
Hire 2 more technicians as September 1	Service Manager/HR	ASAP as late
Create VIP list (9) additional customer completion review yearly	Laura/Service Manager	8/22/17-
Make NEW Service Menu completion	Service Manager/Laura	9/21/17
Triage Bay upon location	Service Manager/Advisor	2018/19- dependent
Lost sales Parts /Service meeting 8/21/17 commence-ongoing	Laura/Parts Manager/Service Manager	
Open Saturdays from 7-11 October 1,2017 completion	Service Director/Service Manager	
Fix Equipment in Shop start with castors started 8/17/17	Service Manager	ongoing-
Evaluations Weekly with technicians started 8/12/17	Service Manager	ongoing -
Write-up/pay decrease as needed started 8/12/17	Service Manager	Ongoing -
Pulling upsell grosses per tech per week 8/21/17	Service Manager	
Hinos VMI/HMI issue that is affecting service process is a CDK	HINO CORPORATE/ VALLEY PARTS in	
Hino Parts Shipping/ do not ship fast enough- 8/21/17 ongoing	LOST SALES Service Manager/Parts	
Get a parts ticket picker commence TBD	Parts Manager/Parts Director	8/21/17
Get technicians up to 95% average	Parts Manager/Parts Advisor	8/17/18
RO monitoring hit goal of 5 per day	Service Manager/Advisor	daily-ongoing to
Monitoring GP and Labor gross daily	Service Manager	daily- ongoing

Synopsis

It is evident that in this service department that there are some technicians that are banking off of guaranteed hours and not upselling as they should be. This will hopefully be controlled by the writeup process in place, to avoid the "tail wagging the dog" issue that we have been experiencing here in our shop. There is also an evident case that we seem to be scheduling jobs and the repair orders are staying open for longer because of the Parts/Service process(which is addressed above.) The gross is also affected by being short 2 technicians, as work is starting to come in, and we are having to "schedule people in" which in turn is making us lose some jobs. There is no doubt that we need to hire technicians. This should also be followed prior with weekly reviewing so Valley is making it clear to employees that are technicians. Tech hostility has been addresses by one of the SWOT analysis and we will continue to keep our eyes and ears open so as to avoid it in the future.

There are some equipment issues that are being worked through slowly. The Dealer Principal has been provided a list in which case we will need approval on some of the more expensive items.

In the matter of shop meetings . Service should meet with Parts on a weekly basis so as to help increase the communication and effectiveness of Parts ordering for internal Service work, which we are terming the "five minute lost sales meeting". Service should also be doing RO checks daily, to make sure we are meeting our goal, which is re-iterated during the Service Manager and Advisor meeting.

Changing the culture at Valley to stress that we work as a team, not as a department has been affected positively by our Parts, Service and Sales Meetings, which will hopefully continue. We are also looking to put into affect an "issue of the week" which will be run by the Service Advisor during the shop meetings, which should take only 5 min 1 time per week. This will have a positive effect on upsell.

It is with much excitement I can say that I am starting to see small changes towards the final goal. But although small, they are chipping away at a bigger final picture.