

## SERVICE OPERATIONS ASSIGNMENT – ACTION PLAN

S Specific   
 M Measurable   
 A Achievable   
 R Relevant   
 T Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

Example: *"I will decrease my 5K run time from 30 minutes to 21 minutes by June 15, 2020."*

**S M T**

We will increase our customer pay ELR from our June average of \$82.58 with discounts to \$97.58 by 1/1/2021

How does this goal align with or support your dealer's vision?

What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?

Why is this goal important to you?

**R**

This goal aligns with our vision of profitability as well as customer retention, we are currently running 80% competitive and maintenance and only 20% of our income is generated by repair tickets. This increase should come from selling more repair services that build long term loyalty to the dealership

The benefits are increased gross and it should come with an increased customer retention as well. ELR generated by a repair ticket is currently at \$121.43 per our 50 RO sample, but our overall average is \$94.77, increasing our customer pay from \$82.58 to \$97.58 would have represented a gross increase of roughly \$27,350 in June and a net increase of almost \$21,000 at our 76% retention.

The consequences of not achieving this goal are a missed opportunity for profit and a missed opportunity to retain business, we're a maintenance shop at the moment, and while this pays the bills, when someone needs a major repair the numbers suggest that they're seeking an independent shop to handle this, once they've spent a large sum of money with someone they're more likely to return there instead of here.

This goal is important to me because it would allow us to build our business as a whole, retaining more customers and eventually selling more cars. Honda doesn't allow sales to rental companies so the best source of preowned Hondas for my lot is my service department, if we aren't retaining these customers, selling jobs that put real money on the books, building trust and relationships and providing service that makes people want to return, we will see the entire store's net profit drop yearly.

FIXED OPERATIONS 2 – SERVICE

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve?

For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.



SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECK POINT DATES
Identify current gross for department and advisor	Axcessa	Tim Irwin - Service Manager	Identify initial gross levels	8/1/2020
Coach individually and as a team weekly to track gross	Axcessa	Tim Irwin - Service Manager Service Advisors	Chart personal and departmental gross and ensure trend is upward and in line with goal	Weekly
Build gross consistently, monitor weekly and checking work mix and upselling from advisors	Axcessa X-Time	Tim Irwin Service Advisors	Raise ELR by \$5.00	\$87.85 9/1/2020
Above	Axcessa X-Time	Tim Irwin Service Advisors	Raise ELR by \$2.50	\$90.35 10/1/2020
Above	Axcessa X-Time	Tim Irwin Service Advisors	Raise ELR by \$2.50	\$92.85 11/1/2020
Above	Axcessa X-Time	Tim Irwin Service Advisors	Raise ELR by \$2.50	\$95.35 12/1/2020
Above	Axcessa X-Time	Tim Irwin Service Advisors	Raise ELR by \$2.50	\$97.85 1/1/2021

## SERVICE OPERATIONS HOMEWORK – ACTION PLAN

How will you track your progress? Where will you find the information? How often will you check in?

**S M A T**

We can track progress through Axxessa and X-Time to track dollars generated as well as what we're asking for vs. selling on a daily / weekly basis. We will check in weekly with goals set for month end.

Potential Obstacles?

**A**

Doubt gross can be achieved, perception that we are functioning an peak efficiency, unable to see extra opportunities and sell extra work to build gross on each RO

Potential Solutions?

**A**

Spiffs and pay plans tied to new ELR goals, closer coaching from service manager and training with our dealer development partner to make better use of tools and better presentations to sell extra work

**BOTTOM LINE!** What is the financial impact (expressed in dollars) of achieving your goal?

**S M R T**

Keeping the same volume or work increasing our ELR the \$15.00 would increase our net profit in service roughly \$21,000

**CONGRATULATIONS!** You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

**S A**

Keeping a board or spreadsheet printed daily / weekly / monthly to track gross trends, setting a level of expectation that \$97.85 is the new norm and it can be improved upon from there.