

Service Department Analysis for Humboldt Ford by Alethea Cox-Kuhn 361-26

- A. Facility-** utilization is at 27.8%. We will expand some hours with the headcount that we do have and we are currently trying to recruit more technicians to fill the bays for work. Additionally we are investing in current technicians to get their proficiency up for better utilization. Excell Template below.
- B. Productivity-** Our tech proficiency is 43.2. We have a LOT of green in our shop. They are slow and need some hand holding for the integrity of some of the jobs we give them. We are starting to have all technicians to clock their hours this allows us to break down jobs and overall time to help them become more efficient. In addition we are doing one on one career planning to determine what they feel their strengths are and their desires for further technician progression. Are they the right staff member for HF to invest in them for school and additional training? Measure and reward of performance and pay we hope to see this change.
- C. Production Method-** Change of service advisor immediately. (Since class we have that person in the seat.) Reviewing staffing and hour coverage to support our community with longer hours but do it in a way we can handle the extra hours as we are a small dealership so low staff numbers to cover the operation will be a balance in the act for sure.
- D. Analyze Cost of Labor-** most of our Techs are hourly, and of course not the best way we would like to have it. We have progressed 2 technicians. With the tracking that we started since July we are working with them to see in some cases of wins with their jobs that they could have gotten paid more at the end of the day. Part of it is educating the mentality; secondly maybe we have some of the wrong people in the seat. Our first objective is to work with them and make sure we are rewarding the performance properly. They now can see what they and their peers are doing and that alone is making some good trackables for pay along with progression.
- E. Changes in Expense Structure-** Our expenses seem to be in alignment, the key will be to get selling our labor hours. Working with Technicians to move through another job when they finish one at the end of the day so we don't have the loss we seem to be having in them not starting a new job with that last bit of work day. Sometimes losing up to 90 min. Again coming to tracking labor hours vs. time clocked in.

F. Pay Plans- Our first objective is to work with them and make sure we are rewarding the performance properly. They now can see what they and their peers are doing and that alone is making some good trackables for pay along with progression.

G. Level of current training- Post Covid and manufacture shut down training we have 3 critical areas that need focus. Technicians identified and investments made for those to take place to stay in line with requirement.

H. Special tools- One area that seems to be good. We have a person that actually helps with this, inventory and accounting of them on a regular basis as well as reinvesting in the shop needs.

I. 100 Repair order analysis: Done and spread sheet attached below

J. Perform a complete Qualitative SWOT Analysis with an action plan: Attached Below

Qualitative Analysis

Strengths

1. Personal with Customers (Small town feel)
2. Brad for knowledge and work ethic
3. Genuine care for every customer
4. More & more happy customers each time they come in
5. Brad for knowledge
6. Sergio for ethics and attitude
7. We genuinely care for our customers
8. Moving in the right direction
9. Teamwork (4) is on point when needed
10. Cleanliness
11. Being able to come together when there is a problem

Weaknesses

1. All internal resources are used on/for sales employees
2. 85% of focus is directed to sales (all eggs in one basket)
3. Expectations of technician's (training)
4. Not doing what you say
5. Work Ethics
6. Technicians
7. Management depending on one person to do so much
8. Dishonesty and corruption
9. Poor work ethic
10. No one giving a shit
11. People not caring about their job
12. People slacking on their part of the service department

13. Having to (re)fix jobs more than once
14. Higher management not coming back to service on a regular basis, and when confronted walks away.
15. Poor communication
16. Paperwork not clear
17. Not organized
18. Carelessness at times
19. Not double-checking work performed in the shop
20. Not having a tool provider (2)
21. Insurance sucks
22. Lack of communication
23. To many comebacks (2)
24. Medical Insurance Sucks
25. Lack of trained techs (2)
26. Communication between sales-service
27. Directing customers to proper manager to assist them
28. Telling customer “bumper to bumper” which is not really true.
29. Lack of training and knowledge of process (2)
30. Clear bra, paint and fab, tint scheduling does not work needs changed.
31. Lack of communication at the customers expense
32. Lack of explanation of warranty & PPM at time of deal “bumper to bumper”
33. Selling vehicles before parts are installed

Opportunities

1. Grow and gain more trust from community
2. Allow techs time to learn & gain more knowledge
3. We are gaining trust from community by showing we care
4. We need to train techs but trust them
5. We need to understand we all can make mistakes
6. School/Classes (3)
7. “I don’t see any opportunities”
8. Certification classes and pay rises that come with passing certified class
9. Training and advancement

Threats

1. One bad customer experience to damage reputation

2. Lack of trust from sales dept. (2)
3. Improper manager dealing with service situation
4. Clear bra scheduling not working- unclear as to who is responsible for bill and is unpractical
5. Self-sabotage from talking to community negatively about service
6. Community trust we all need to back each other up when customers ask about us, we are both here and out in the community.
7. We are the best whether you believe it or not
8. Comebacks
9. Lack of care to do a good job
10. Not doing the job right the first time
11. Rushing to get job done/vehicle out the door. Need quality and job done right.
12. Having all these mistakes that are a issue and higher management not making it a bigger issue.
13. The view of the service department after so many mistakes.
14. Dishonesty and corruption

Objectives/Strategies/Tactics

Objectives

1. Increase Gross on Customer Pay RO's, up sales
2. Increase shop efficiency
3. Increase tech proficiency
4. Raise overall knowledgebase and expertise of technicians to get to healthy state of shop minimums.
5. CSI score above 4.65
6. Convenient to do business with, hours of operation to be extended.

Strategies

1. Track technicians job hours, monitor and report
2. Career progression meetings for staff
3. Tracking (and shared) of personal performance and ranking of team members
4. Track potential hours vs. utilized hours and communicate to front line team
5. Seeking training strategy for team member, Certification and Stars
6. Service Manager Compensation

- a. Compliant Shop to Ford Standard in all areas
 - b. Incentivized staff progression
 - i. Certification increase
 - ii. Hourly to Flat Rate Conversion
 - c. CSI above 4.65
 - i. Courtesy call/text appointment reminder
 - ii. Walk arounds for relationship building and identify needs of vehicle
 - iii. Establish expectation for vehicle service
 - 1. Update customer upon change of that expectation
 - 2. Objective to communication to customer before they try to get an update from us.
 - iv. Give vehicle review of work at time of check out.
 - d. Shop efficiency min. with increase at 80%, 90% and 100%
 - i. This should allow more time for customer pay increase
 - ii. Retention of staff
7. Be available for customers in hours that are convenient for them.
- a. Earlier check in
 - b. Later check out

Tactics

1. Service Manager to have weekly Department meeting
2. Service Manager to meet w/ Service Advisor team for scheduling, review of open R.O.'s
3. Service Manager Compensation on 1. Compliant Shop 2. CSI 3. Proficiency and Efficiency Minimums.
4. Bonus Incentives for Service Manager, Service Advisor and Shop Forman for hitting progressive goals that increase shop efficiency and Technicians Efficiency.
5. Sales Training for our Service Advisors to increase Cust. Pay RO's.

Objectives / Strategies / Tactics

Task Date	By Whom	Completion
Tracking/Reporting Metrics by Technician 31, 2020	Tom/SM/Alethea	Oct.
Pay Plan Review for SM 2020	GM	Sept. 30,

Monthly Technician Performance Overview Oct. 1, 2020	GM/SF	
Expand Hours of Operation of Serv. Dept. 1, 2021	GM	Jan.
Technician Career Goal setting and review Oct. 1, 2020	HR	
Stars/Cert, proficiency review w/ Technician 1, 2020	SM	Aug.
Pay Plan Review for Technicians 30, 2020	GM/SM	Sept.
Accountability of Shop Efficiency of month	GM	15 th
Technician 1 on 1, mnthly performance review month	SM	5 th of
Sales Training for Service Advisor- Mnthly 2020	Rapid Ride	July,
Implement Xtime- scheduling/text comm. Oct. 31, 2020	Tom/Alethea	

***If I was calling the shots, I would release the current SM for replacement. The history of the department has actually gone down in service levels with CSI, technician proficiency and major delays in responding to required shop certification and the development of the team is suffering from lack of leadership and development. We have someone that is strong in doing ppwk but not a manager of people and processes.**

Synopsis

It is evident that we have an under performing service department. Not only is our dealership the poorest performing in my NADA class, but it is with our dealership family. I will say that the Serv. Department had a delay in opening of our Dealership in July 2018 due to finding any technician talent in our rural (out in NO where) town. However, we have significant pain points and have a lot of progress and growth that focusing on the right areas I believe we can do a drastic change around for profitability and customer satisfaction. We have a shop that is in a community that is drastically underserved and would have to travel over 2 hours in any direction before getting a certified shop. That benefit needs to be a benefit and not a reason to be lousy. (Bob that was for you, my word choice would have been different.)

2.25 average hrs. Per RO with 76% of our customer pay RO's being a 1 line RO. This needs to be increased and can be done through upsells. There is training in place now for a Service Advisor to learn techniques for further upselling in their position. Also, we would like to move the needle from an average 9 RO's per day to increase this by 2 by the end of Aug. With a 43.2% overall technician proficiency shows us we can influence our staff by properly tracking hours, reporting performance and evaluating ways for them to be more successful, including skills based training, certifications and change of pay for further financial progression. Currently we show we are utilizing our facility at a 27.8% and we believe we have an opportunity to utilize our people along with expanding our technician base to increase this number.

*Using numbers from Jan. as that is what we used for class.

Repair Order Analysis Summary Report							
		Sales in Dollars		FRH's on RO's		Averages	Analysis
Competitive		\$2,360	÷	21.85	=	108.02	FRH Average
Maintenance		\$4,005	÷	26.73	=	149.82	FRH Average
Repair		\$10,002	÷	81.45	=	122.80	FRH Average
Totals		\$16,367	÷	130.03	=	125.87	Customer ELR
				Target Labor Rate		119.25	Per FRH
Total Ro's in Sample	100			Difference		6.62	Per FRH
Cost of Labor							
Total Cost of Labor		2744.73	÷	Total Sales	=	16.77%	Percent Cost of Sales
Total Cost of Labor		2744.73	÷	Total FRHs	=	21.11	Cost per FRH
Repair Order Measurements							
Total Labor Sales		16,367.24	÷	Total ROs	=	163.67	Avg Labor per RO
Total FRHs		130.03	÷	Total ROs	=	1.30	Avg FRH's per RO
Menu Sales			÷	Total ROs	=		Percent Menu Sales

Competitive FRHs	21.85	÷	Total FRHs	=	16.80%	Percent Competitive
Maintenance FRHs	26.73	÷	Total FRHs	=	20.56%	Percent Maintenance
Repair FRH	81.45	÷	Total FRHs	=	62.64%	Percent Repair
One item ROs	95	÷	Total ROs	=	95.00%	Percent One Item RO

Model Year Analysis

2021	2020	2019	2018	2017	2016	Older
0	0	11	9	7	7	6
0.00%	0.00%	11.00%	9.00%	7.00%	7.00%	66.00%