

Service Department Analysis for Nereson Automotive

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Qualitative Analysis

Strengths

- 1.**The current pay plan that is in place for the technicians awards bonuses for different productivity levels.
- 2.**Our population increases tremendously between the months of May-August because of lake season and people spending time at their cabins.
- 3.**Only have two other franchise dealers in town and only 1 is a General Motors dealership. (GMC and Buick)
- 4.**There is only 1 other service center that is open as late as we are on Saturdays.
- 5.**Our advisors only have 3 technicians each so our support staff to tech ration is good.
- 6.**We have a good work mix on various years, makes, models, mileage of cars that we service.
- 7.**Our staff has been with us for a while, so they use their experience to help our newer technicians plus they pool all their knowledge together when they have a problem that one technician can't figure out.

Qualitative Analysis Cont.

Weaknesses

- 1.** Our advisors have not been properly trained on scheduling. They overload the morning and leave the afternoons with less work.
- 2.** Service Manager needs to be more involved with the technicians and advisors and help out when they need assistance and to just check in with the techs to see how they are doing.
- 3.** The morale between the service and parts department is very low. Each department thinks the other department has too high of prices or they can never find someone and have to wait to get helped etc.
- 4.** Our technicians have to wait for parts to finish the job and this puts stress on the techs, advisors and customers.
- 5.** Virtually no training from the service manager with the advisors to help improve walkarounds, selling skills, phone skills, or scheduling.
- 6.** Takes longer than it should to replace/fix a broken tool or piece of equipment.
- 7.** Service advisors can take a while to get approval from the customer to repair their vehicle.
- 8.** Service advisors have the ability to discount work/hours billed.

Qualitative Analysis Cont.

Opportunities

- 1.** We currently do not like to work on other makes and models besides Chevrolet and Cadillac because of the lack of training, and also tools to properly diagnose.
- 2.** We currently do not market our service department, so customers do not know what specials that we have going on or ways to bring people in especially when our population is at its highest.
- 3.** We have plenty of room and stalls for our technicians so we can handle an increase in business.
- 4.** We don't meet with our techs to review previous day's work so if we did this they will know exactly where they are at and where they need to be and how we can get them to that number.
- 5.** Our town has a lot of businesses that have vehicles in a fleet, and we should try to gain their business for those vehicles in their fleet.

Qualitative Analysis Cont.

Threats

- 1.** Even though we are getting more hours per R.O. our R.O. count is decreasing slowly.
- 2.** Our advisors are scheduling too far out, and we might be losing customers because we can't fix it soon enough for them.
- 3.** We have a lot of veteran techs that are going to be retiring in the next couple years.
- 4.** Factory is cutting times on warranty jobs.

Objectives

- 1.** Increase the number of repair orders that we write.
- 2.** Track lost sales
- 3.** Teach the advisors how to properly load their schedule to maximize efficiency.
- 4.** Improve technician proficiency.
- 5.** Advertise to increase business.
- 6.** Weekly training for advisors and technicians.
- 7.** Decrease the number of one-line repair orders

Strategies

1. Call/visit businesses who have vehicle fleets and let them know what we have to offer.
2. Explain to the parts counter people how important tracking lost sales is. Make sure they understand what a lost sale is and make sure they know how to mark a lost sale in the DMS.
3. Show them the calculation for loading a schedule and teach them how to do it.
4. Create monthly specials and maintenance packages to assist in attracting new business.
5. Create a schedule for training the advisors and technicians.
6. Meet with the advisors and show them what adding an additional .3 hrs per R.O would achieve. Not only for the dealership but for their paycheck and the techs paychecks as well.
7. Meet with advisors and technicians to review yesterday's work and also where they are at for the month.
8. Shop the competition to make sure we are competitive in our market and make sure that is why we are not losing business.

Tactics

1. Each advisor is going to call/visit a business in town personally to let them know we can service all makes and models and also to provide the business with reasons why we can make servicing with us easy and worry free.
2. We will meet with the parts manager weekly to review lost sales and see if we should adjust our stocking strategy. The service manager will be involved as well because this allow us to see if our lower stocking level is affecting our efficiency in the shop.
3. We will meet with our advisors weekly to go through their schedule. This will enable us to make sure we are not overbooking or even if they are not scheduling to their full potential. We will be using the loading calculation to show them how many repair orders they should be writing and how many customers they need to see that day.
4. The general manager, service manager, and parts manager will meet at the end of the month to prepare an advertising campaign for the next month to drive more traffic.
5. We will also create maintenance packages that we will post so our customers can see and by doing this I hope we can increase our percentage of maintenance repair orders.
6. The service manager will meet with the advisors and techs each day for a quick one on one. They will discuss yesterday's hours that they turned and also where their proficiency is at so we can help them increase it. Our goal is to get all of the techs up to guide for proficiency.
7. We will create a training schedule for our advisors. We will work on phones skills, word tracts for objection handling, and service drive walkarounds. We will make it fun by awarding the winner a gift card, or a lunch with the owners or general manager.

8. Our service manager is not currently reviewing repair orders so he will now be reviewing repair orders because we need to decrease our one-line repair orders. By reviewing them he will be able to train and teach both the advisors and technicians on what they could have improved on in order to increase our hours per R.O.

Action Plan

<u>Task</u>	<u>By Whom</u>	
<u>Completion Date</u>		
Cold call/visit businesses 1 st 2020 With a fleet of vehicles to increase business	Service advisors	Sept.
Discuss lost sales and Weekly Stocking levels	General Manager, Parts and Service Manager	
Review advisors schedule Weekly For the week and how To increase or decrease if its Overloaded.	Service Manager, Advisors	
Create advertising campaign Monthly And maintenance packages To drive traffic	Service and Parts Manager General Manager	
Training with our Advisors Bi-Weekly Phone skills, walkarounds, Objection handling.	Service Manager	
Meet with advisors and techs Daily To discuss proficiency, how Many hours they have and Where they need to be.	Service Manager	

this will help ensure that walk arounds are getting done 100% of the time every time.

Finally, we will be making sure we are tracking lost sales and making sure we use that data to stock correctly. From the results that we got from the service employees it seems to be that they are waiting for parts quite often and that is hurting their proficiency. It not only hurts the dealership but can potentially impact CSI and also customers coming back to us because it is taking longer for their car to get fixed because we are waiting for the ordered parts the next day or even waiting for them to come from across town.

All of these items are small changes that are going to make a huge impact in our business. We just have to perfect our processes a little bit more and work smarter and this will naturally increase our sales, R.O. count and overall we will have happier customers who will want to return.