



SWOT ANALYSIS:

STRENGTHS:

Great technicians. All ASMs are Toyota Certified and very knowledgeable.

Good process. Customers arrive. Service writers are paid by the more you talk to people the more you make. Customers are updated through text. Car wash to increase CSI at delivery.

Beautiful facility. Toyota has made us upgrade the facility to look innovative and attractive.

Large customer book. We are in the top 300 stores in the USA for volume to projected percent of sales.

Shop capacity. 18 bays to increase productivity opportunities.

Service Manager is the #1 rated Toyota Certified Tech in the Southeastern District (5 state area).

WEAKNESSES:

High employee turnover. Mostly due to lack of training. Sink or swim approach.

Need more ASMs. Need more service writers to do it right the first time.

Parts is hidden. Everyone asks where parts is located.

Lack of communication. Customer expectations, first 15 minutes impression, lack of thoroughness.

Quality inspections. Not double checking for better proficiency.

Shorthanded. Cannot find enough techs.

Fixed Ops Director. Our FOD left for his old job for security reasons. He built a pretty good foundation but we must find a good replacement.

Not working on all makes and models. We do not advertise that we handle all models. People think just Toyotas.

OPPORTUNITIES:

Trend for rentals. Our rental department is booming. Toyota did a “try it before you buy it” advertising campaign. Numbers are soaring.

Internet and digital selling. More contact with customers without face to face issues. Increasing upselling and profits.

Work on all makes and models. Starting a campaign to go out and get all vehicles. Put in an oil and lube shop recently.

Online. More than ever people are simply shopping online. 63% of the online inquiries are for service.

Growth through digital marketing. Text and videos for customers gives control back to the customer for upselling.

Fix it right the first time. Word of mouth is the best advertising or the worst enemy.

THREATS:

Increasing costs. Ever rising costs of parts is taking a toll on profits.

Intense competition. We have 7 Toyota dealerships within a 100 miles of us.

COVID 19. Covid 19 has caused a significant delay in parts and lack of customers who do not want to risk coming out.

FIXED OPERATIONS 2 SERVICE HOMEWORK:

Current Situation:

The facility is beautiful and up to date. It is very organized and runs very well. We need to add about 4 ASMs to the group and it will provide more time to get it right the first time and impress the customer in the first fifteen minutes.

The techs get paid a flat rate and morale is high. We need to implement an onboarding and ongoing training program so we are always continuously improving. Training is the key to better production.

Production is good and there is plenty of business. We started a Friends and Family program. If you get your Toyota serviced with us we will send you a referral fee for sending your friends and family who drive different makes and models to us for service.

Team leaders manage teams of 4 techs. They oversee their goals, production, hours, tracking numbers, and morale. They also double check work for quality and correctness.

We have 3 organized lockers for special tools. An automated magnetic key for checking in and out for accountability.

Lube techs are paid hourly and are spiffed on recommended work. Of course, they are also hard to find and to keep aboard.

Action Plan:

Our current situation is good. All ASMs leave business cards inside each and every vehicle. We need to hire a few more ASMs and techs. It would be a better experience for taking care of the customer and the customer's impressions and expectations. During the first fifteen minutes we need to impress the customer and diagnose the vehicle. The need for the correct number of ASMs builds the ability to build rapport, a relationship and trust with the customer. Not so the ASM can run around with their head cut off. Hence, I implemented a BDC team in April to help with time management. I have BDC now taking service calls when the ASMs do not pick up so the customer can talk to a live person and address any issues. They set appointments. They make a taillight call after the appointment to address the experience and any issues. It has cut down the heat cases quite drastically.

We had an issue with customers complaining about scratches, dings and dents. So I implemented the iPad for each individual ASM in April. They will take 8 quality pictures of all sides of the vehicle and interior while the customer walks around the vehicle with them. This has significantly reduced the complaints. After implementing that in April and it was almost an instant win. It also takes away the brain damage issues of customers who thought otherwise. The ASM can send texts, emails, and videos with it for communication and upselling.

Morale is high and most everyone is happy about their pay plans. If I could find four more techs I could give the current ones a better schedule and fill their bays with another tech on their day off. With 18 bays that would have a significant impact on sales and production. Overall service department gross profit is 69.6%. If I can hire 4 more techs for a total of 30 techs at 8 hours a day with 24 working days I could see a potential rise of \$65,933 with clock hours for the 4 techs at 768 and an ELR at 85.85. That would be nice. My goal to do that is by the end of September. I will use sign on bonuses and help with moving expenses to ascertain them to the store with permission already granted from our VP and CFO. We must hire if we are to grow!

The facility utilization is at 58%. By adding 4 techs and 4 ASMs I have the ability to significantly increase the facility's potential to 75%. Actual labor sales are at \$505k. The facility would see an estimated impact of \$360k if all 35 bays were used and were used correctly running at full hours billed potential while not over working the staff. Everyone would be able to have a comfortable schedule and make good money. That goal is set for the end of September.

Also in April, I implemented a cross training program where one sales person per week spends half a day with service. And vice-versa. With a good facility and service employees getting respect from sales it has semi-merged the departments to almost an amazing level of communication and agreement. If employees are working at a nice facility, are compensated, and are respected they seem more likely to produce. I have them meeting once every Saturday morning and then team leaders stay for a little while longer to discuss the good, the bad, and the ugly.

I meet every Saturday afternoon with the Service Director. We discuss personal attention of our employees, promptness, competence, and dependability. This has significantly helped address problem solving, reputation and credibility. We now have less finger pointing and more open lines of communication instead of two different countries.

Repair Order Analysis Summary Report							
		Sales in Dollars		FRH's on RO's		Averages	
Competitive		\$ 707	÷	9.10	=	77.69	FRH Average
Maintenance		\$ 5,880	÷	61.25	=	96.00	FRH Average
Repair		\$ 2,321	÷	18.90	=	122.80	FRH Average
Totals		\$ 8,908	÷	89.25	=	99.81	Customer ELR
					Target Labor Rate		Per FRH
Total Ro's in Sample	100				Difference	99.81	Per FRH
Cost of Labor							
Total Cost of Labor		2662.00	÷	Total Sales	=	29.88%	Percent Sales
Total Cost of Labor		2662.00	÷	Total FRHs	=	29.83	Cost per
Repair Order Measurements							
Total Labor Sales		8,908.00	÷	Total ROs	=	89.08	Avg Lab
Total FRHs		89.25	÷	Total ROs	=	0.89	Avg FRH
Menu Sales			÷	Total	=		Percent

			ROs			
Competitive FRHs	9.10	÷	Total FRHs	=	10.20%	Percent
Maintenance FRHs	61.25	÷	Total FRHs	=	68.63%	Percent
Repair FRH	18.90	÷	Total FRHs	=	21.18%	Percent
One item ROs	11	÷	Total ROs	=	11.00%	Percent RO

Model Year Analysis

2021	2020	2019	2018	2017	2016
0	0	0	0	0	0

Labor Mix

