

Will Waterbury

Director of Sales - Navistar

Rush Enterprises HQ

ATD036-03

Areas Covered

Advertising/Merchandising: Competitive Pricing Efforts, Menus

Marketing: Potential, Penetration, and Competition

Facility: Capacity, Utilization, and Limitations

Productivity: Actual vs. Potential in all departments

Organization and Production methods

Analyze Cost of Labor and Gross Profit structure in all departments

Expense Structure

Pay Plans

Performance Enhancement Program

Training Program

Special Tooling

SWOT Analysis

Advertising/Merchandising: Competitive Pricing Efforts, Menus

Both Parts and Service have Digital Signs advertising specials, parts has rolling product



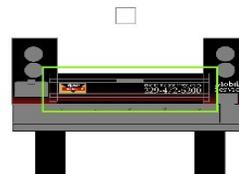
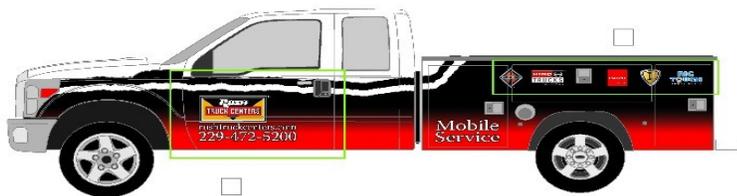
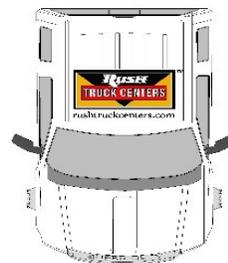
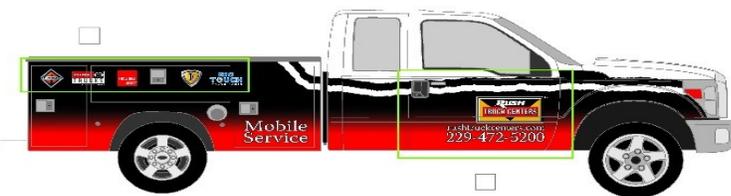
Also in the TV in the driver's lounge has rolling ads for both parts and service

All of our company vehicles are wrapped and highly visible

RTC Tifton

Ship to:
Rush Truck Center
16 Union Industrial Way
Tifton, GA 31793
Attn: Jon Pratt
PrattJ@RushEnterprises.com

F250 ExCab 98x40 Knapheide Service
VIN-85026 Convert from RTC Alice



Please contact Digital D-Signs with any installation questions or concerns: 830.629.0047 or DigitalID-Signs@sbcglobal.net

5 PCS INCLUDED Contents Checked & Packed By: _____ Date: _____

t ads and service has menu job pricing.

Marketing: Potential, Penetration, and Competition

We currently have 4 aftermarket sales people operating out of the Richmond store. They manage 50 changing to a vocation/segment approach. They are paid salary + commission.

Recently we released an all marks catalog that has over 8000 parts in it. This is to focus on all makes Since losing the prosperity engine part's sales from MaxxForce we are having to look at other ways in i parts catalog, it specifically targets PACCAR parts products.

We are only running monthly specials at the store level.

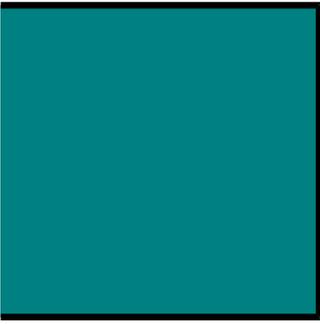
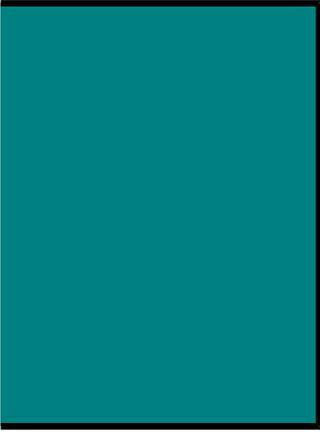
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Facility: Capacity, Utilization, and Limitations

FACILITY POTENTIAL	
Number of Bays	35
	x
Number of Days	23
	x
Number of Hours	7.5
	x
Effective Labor Rate	125.87
	<i>equals</i>
FACILITY POTENTIAL	\$ 325,689

Currently only using one shift Monday through Friday

FACILITY UTILIZATION	
Total Labor Sales	\$178,940
	÷
Facility Potential	\$ 325,689
	<i>equals</i>
FACILITY UTILIZATION	54.94%



Productivity: Actual vs. Potential in all departments

Tech Proficiency is 59% year to date compared to guide of 100-110%

NADA ACTUAL SERVICE ANALYSIS

page B-

Performance

	<i>Labor Sales / Month</i>		<i>Hourly Labor Rate</i>	
Customer Truck*	\$ 83,801	÷	127.00	=
Customer Truck*	\$ 60,151	÷	127.00	=
Customer Other*	\$ -	÷		=
Warranty	\$ 20,468	÷	127.00	=
Internal	\$ 14,520	÷	114.30	=
New Vehicle Prep	\$ -	÷		=
Total	\$ 178,940			

POTENTIAL

$$\boxed{\$ 178,940} \div \boxed{1421.68} =$$

Total labor sales for month

Total hours billed

$$\boxed{22.00} \times \boxed{7.5} \times$$

Service mechanical technicians

Hours/Day

$$\boxed{3,795.0} \times \boxed{\$ 125.87} =$$

Clock Hours Available

Effective Labor Rate

How proficient are your technicians ?

$$\boxed{2,354.0} \div \boxed{3,795.00} =$$

Hours Produced

Hours Available

1

Hours Billed	
659.9	
473.6	
0.00	
161.2	
127.0	
0.00	
1421.7	

\$ 125.87

Effective Labor Rate

23

Working Days/Month

=

3,795.0

Clock Hour Avail

\$ 477,658

Labor sales potential

62.03%

Tech Proficiency

Organization and Production methods

District Service Manager - Sean Westlake

Rush NLDP - Charlie Riddle

Rush NLDP - Dustin Parlier

Service Advisor - David Armstrong

Shop Foreman - Mike Cannon

Tech Lead - Chad Harrison

22 Techs - 1 Mobile

Shop Foreman delegates work

Analyze Cost of Labor and Gross Profit structure in all departments

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Truck	\$ 104,163	\$ 81,107		
Customer Truck	\$ 66,160	\$ 50,088		
Customer Other			0%	0.00%
Warranty	\$ 40,095	\$ 32,158		
Warranty Other			0%	0.00%
Internal	\$ 28,696	\$ 22,409		
NVI / Road Ready			0%	0.00%
Adj. Cost Of Labor		\$ (17,132)		
Total	\$ 239,114	\$ 168,630	70.52%	100.00%

The Picture	
Customer Pay Gross Profit %	77.03%
Total Service Dept. G.P. %	70.52%

Category	Parts Sales
Customer Truck	\$ 59,388
Customer Truck	\$ 65,728
Customer Other	
Warranty	\$ 93,408
Warranty Other	
Internal	\$ 106,370
Total	\$ 324,894

The Picture

Customer Pay Gross Profit %

Total Service Dept. G.P. %

Parts / Labor Ratio (Cust. Pay Only)

Labor Sales		P/L Ratio
		0.00
		0.00
\$	-	0.00
		0.00
\$	-	0.00
		0.00
\$	-	0.00

77.03%
70.52%
0.00

Expense Structure

Total Absorption is low. We remove our largest parts sales customer from dealer:

Expense Category	Dollar Amount	% of Gross
Department Gross	\$ 199,131	
Variable Expense		0.00%
Selling Expense		0.00%
Personnel Expense	\$ 90,398	43.93%
Semi-Fixed Expense	\$ 18,415	17.14%
Fixed Expense	\$ 42,332	19.25%
Unallocated Expense		0.00%
Dealer's Salary		0.00%
Total Expenses	\$ 151,145	80.32%
Net Profit	\$ 47,986	19.68%

Personnel Expense is higher than guide of 42%
Semi-Fixed is higher than guide of 15%
Fixed is higher than guide of 13%

ship data, which has resources allocated in these numbers. It skews our absorption, b

Fixed Absorption page A-9

Parts Department Total Gross

Service Department Total Gross

Body Shop Department Total Gross

Total Fixed Gross Profit

Total Dealership Expense

minus



New & Used Sales Commission Expense

New & Used Policy Expense

New & Used Get Ready / Delivery Expense

Adjusted Overhead Expense

Total Fixed Gross Profit

Adjusted Overhead Expense

Total Absorption Percentage

The Picture

Customer Pay Gross Profit %

Total Service Dept. G.P. %

Parts / Labor Ratio (Cust. Pay Only)

Total Service Dept. Expenses

ut allows us to focus on our true business.

	% Adj Ovhd Exp
\$ 226,367	69.76%
\$ 199,131	55.02%
\$ 107,299	0.00%
\$ 532,797	
\$ 622,011	
\$ 42,288	
\$ 579,723	
\$ 532,797	
\$ 579,723	
91.91%	Guideline 110%

78.22%
69.25%
0.88
\$ 99,443

Pay Plans

Service Manager and Service Advisors are paid very similar. They receive salary (roughly 75-80% of their pay) plus commission. Commission is figured off of a table with several factors: above or below sales goal, above or below gross profit margin. In addition they have get a risk and reward bonus (the service advisor risk and reward is based on days of WIP outstanding at the end of the month and the service managers risk and reward is based on net profit for the service department).

Example Pay Plan:

Service Advisor Compensation Package

A. Salary

Monthly salary will be determined by the Service Manager and will be paid 50%

B. Monthly Commission

Monthly commission will be calculated based on monthly service sales with a goal

Total Sales / GP%

Total Sales Dollars

C. Daily Sales Outstanding 3.5 days: Risk or Reward

Total Commission Paid

An incentive will be paid on a monthly basis for those who exceed their Daily Sales

· On the first day of each month you can view the Daily Sales Outstanding on

Base Pay \$2,500+ Commission

Travel and Entertainment as approved by the General Manager

There will be a guaranteed minimum commission of \$467.60 per month through

on the 15th of the month and 50% on the last business day of the month. Base salary wi

ross profit % qualifier (Page 5 line 54 on the financial statement.) Departments will be ass

Below Sales Goal		Above Sales Goal	
Budget < GP%	Budget > GP%	Budget < GP%	Budget > GP%
0.0045	0.0055	0.0055	0.0065

Risk	Reward
Below Goal	Above Goal/Met Goal
-5%	5%

ales Outstanding goal. There will be a sliding scale of +/- 2%. For those who do not make t

the Daily Sales Activity Report via RushNet. If the Daily Sales Outstanding is equal to or

n 12/31/15.

ll be recommended by corporate operations and will be based on market conditions. If

igned monthly sales goals according to budget, and incentive will be based on percent:

the established Daily Sales Outstanding Goal, there will be a negative adjustment to tot

less than 3.5 working days, you will receive a 5% increase to your monthly commissio

base exceeds 10% of recommendation, approval must be obtained from corporate oper

age of goal attainment.

tal commission. The percentage of Risk and Reward will be up to each location.

n. If it is greater than two working days, you will receive a 5% reduction to your month

rations.

ly commission

Performance Enhancement Program

Departmental Action Plan

Dealership **Rush Truck Center Richmond**

Academy Week **Service-Fixed Ops 2**

Current Situation

We were doing a poor job of cross departmental communication to support a custom

Overall Objective:

We need to have a monthly review between managers to increase customer support

Proposed Timeline

Timeline is to start managing this process with 5-10 accounts from each department an ongoing endeavour.

Action Plan

Cross communication, tracking customer wallet share/support, reviewing monthly to

Requirements

1. Each department identifies 10 accounts they are doing business with
2. Review monthly to ensure progress, add new accounts.
3. Check customer wallet share growth quarterly.

Student Name

Class & Student Number

ner from start to finish.

t, grow business throughout all segments.

; track, and have accountability. Start date is set in stone, but this should be

ensure action is being taken.

Training Program

We have a dedicated technician recruiter for the company. They also manage technician progress once they are hired and on-boarded.

We have a in-house program called Tech-Pro that helps rate the techs based on skill set. It allows the service manager to have a better understanding the types of repairs the techs are best at plus allows the trainer to get an idea what additional training a tech may need.

Also there is a mentor program available, it is a year long program that has a very detailed process tha to outlines how the program the works.

Special Tooling



We have a great tool room at this facility

Navistar Rep comes in annually to do a tool audit for each location.



SWOT Analysis

Strengths

Part of Large Dealer Group, Financially Stable
Large Parts Inventory
Factory Training, Local Trainer
Outside sales team selling both parts and service
Strong, loyal customer base. Fleet sales traditionally good.
Newer team, higher level care

Weaknesses

Rotating foreman/service writers. Newer people filling in.
Tech Skill Level
Ownership of RO/Ticket process
Hand off between parts/service/body
Shop reputation, newer employees
OEM Market Share

Opportunities

Need more mobile technicians
All-makes parts catalog
Upselling both parts and labor to the customer
Service Connect portal to communicate with customers
Need to grow aftermarket business
Service Connect

Threats

Rebuilding Product perception
Newer workforce/training
Burning out
Fleets being able to do in-house warranty