

**NATHAN RYAN**  
**RYAN CHEVROLET**  
**NADA ACADEMY 323-29**  
**WEEK 3 - SERVICE**

Advertising/Marketing

Ryan Chevrolet has several different avenues in which we advertise when it comes to service. We use mailers, data mining, social media, emails, and our website. The mailers we send out are CSSR (Customer Sales Service Retention) campaigns through a General Motors vendor. These mailers contain discounts and special offers designed to drive customers into the dealership. The individuals we reach out to depend on the type of campaign ran that month. Two campaigns we tend to use are those people who haven't serviced with us in the last 6 months or those who haven't in the last year. This advertising tends to cost around \$2,000 a month.

Target Pro is another advertising source and tends to be our most successful. It allows us to data mine through our CRM (VinSolutions). Through Target Pro, we are able to send different campaigns similar to the CSSR program. The big difference is that it gives us more accurate information by pulling from our CRM customer database rather than our DMS. In addition, it allows us to reach out to our unsold customers. It typically tends to cost us close to \$900 a month.

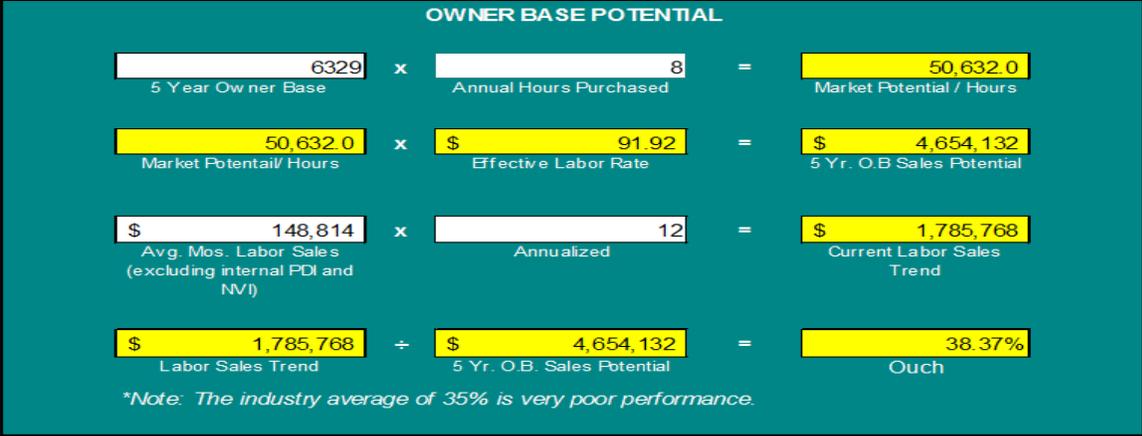
The other means of advertising are social media, newsletters, and our website. Through social media, we offer service specials as well as insight into the daily operations of our service department. In addition, we introduce some of our team members. Our website domain is [ryanchevy.com](http://ryanchevy.com). Through there, we offer various service specials and coupons that are updated quarterly throughout the year. Customers can also see our location, hours, and a drop-down box to schedule a service appointment. Thus, making it as easy as possible to find an available time for an appointment.

## Marketing

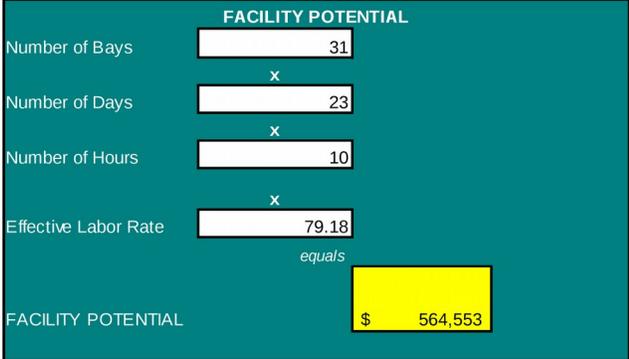
Below is a list of eight non-dealer shops that I reached out to for pricing that are competitors to Ryan Chevrolet. In calling these independent shops, I began to see two things: First, that we are competitively priced. This proves that the preconceived notion that independents are cheaper just isn't true. Secondly, it was difficult to get a straight answer in some of these shops like Sears and Walmart. Their customer service was awful. I was caught off guard by the way I was treated. I was hung up on, employees let out long sighs when I asked for information, and was asked why I needed to get this information. In that regard, we blow them out of the water when it comes to customer service. Ultimately, I learned that there is no reason why we shouldn't be dominating our market. I would think by sharing this information to our service customers, we should have no problem increasing the retention of our customers.

COMPETITIVE MAINTENANCE PRICING SUMMARY\* - NON DEALER

COMPETITOR	29.99 LUBE, OIL & FILTER	ROTATE FRONT/ REAR TIRES	BALANCE FRONT/ REAR TIRES	ALIGN FRONT END	SERVICE A/C	REPLACE FRONT DISC PADS
Sears	29.99	15 <sup>00</sup>	17 <sup>00</sup> = 71.00 per hr	89 <sup>99</sup>	61 <sup>00</sup> 144 <sup>99</sup>	278 <sup>00</sup>
Firestone	68 <sup>00</sup>	20 <sup>00</sup>	53 <sup>95</sup>	99 <sup>99</sup>	81 <sup>95</sup>	189 <sup>99</sup>
Goodyear	39 <sup>95</sup>	26 <sup>00</sup>	48 <sup>00</sup>	69 <sup>95</sup>	89 <sup>95</sup> - 114 <sup>95</sup>	179 <sup>95</sup>
Nettles	80 <sup>00</sup>	35 <sup>00</sup>	—	—	35 <sup>00</sup> OER 45 <sup>95</sup> FRW	300-350
Northside						
Inks	24 <sup>95</sup>	20 <sup>00</sup>	32 <sup>00</sup>	69 <sup>95</sup>	49 <sup>95</sup> 89 <sup>95</sup>	115 <sup>00</sup>
Walmart	35 <sup>95</sup>	30 <sup>00</sup>	36 <sup>00</sup>	—	—	—
Culp's (Ricky)	60 <sup>00</sup> - 70	42 <sup>00</sup>	—	—	~150 <sup>00</sup>	205
Sam's						
TOTALS						
MY DEALERSHIP		29 <sup>95</sup>	49 <sup>95</sup> w/rotin	89 <sup>95</sup>		129 <sup>95</sup>



**Facility/Productivity**



In observing the charts above, one can easily see the lack of facility utilization. We have a facility potential of over half a million dollars while having total labor sales of \$194,451. In terms of utilization, we are at only 34.44% which is well below the NADA guide. We have 31 stalls available for service. Nineteen of these stalls/bays have a lift while twelve of them are flat stalls.

A few reasons for this low factory utilization can be attributed to low tech proficiency, lack of technicians/traffic, and limitations. Our tech proficiency is well below the NADA guide of 120% (Or sustainable 100%). In regards to this month, we produced 2,155.4 hours when there were 2,392 available which brought us to a tech proficiency of 88.44%. At the surface, low tech proficiency appears to be caused by techs not utilizing their time. Smoke breaks and conversing/arguing at parts counter are some examples. This isn't entirely true, but does play a large part. In talking with my service manager, there is also time lost going back and forth from the back parts counter, tool room, and inadequately trained service advisors. The communication between a customer and our service department lies in the hands of our service advisors. It is imperative that they are properly trained. There is a direct correlation between inadequately trained service advisors

and poor CSI scores. We need to do a far better job making sure they are equipped with the tools needed to exceed customer expectations. The skill of a tech as well can hinder hours produced.

Some limitations to maximizing factory utilization include unskilled technicians, parts department not having correct parts and not having correct tools. We are in need of more skilled technicians to increase the tech proficiency and ultimately profitability. We are currently fielding applicants to fill the void. We need to do a better job in parts tracking lost sales so we can eliminate time lost waiting on a part.

**NADA ACTUAL SERVICE ANALYSIS**    page B-1

Performance

	<b>Labor Sales / Month</b>	<b>Hourly Labor Rate</b>	<b>Hours Billed</b>
Customer Car*	\$ 79,902	÷ 79.18 =	1009.1
Customer Truck*	\$ -	÷ =	0.00
Customer Other*	\$ 8,265	÷ 79.18 =	104.4
Warranty	\$ 54,057	÷ 123.23 =	438.7
Internal	\$ 30,886	÷ 79.18 =	390.1
New Vehicle Prep	\$ 21,341	÷ 123.23 =	173.2
<b>Total</b>	<b>\$ 194,451</b>		<b>2115.4</b>

**POTENTIAL**

$\$ 194,451 \div 2115.42 = \$ 91.92$   
 Total labor sales for month    Total hours billed    Effective Labor Rate

$13.00 \times 8 \times 23 = 2,392.0$   
 # Service mechanical tech    # Hours/Day    Working Days/Mo    Clock Hour Avail

$2,392.0 \times \$ 91.92 = \$ 219,874$   
 Clock Hours Available    Effective Labor Rate    Labor sales potential

How proficient are your technicians ?

$2,115.4 \div 2,392.00 = 88.44\%$   
 Hours Produced    Hours Available    Tech Proficiency

Clear Form

- Hours Per RO (Recap Sheet)
- Percent of One Item R.O.'s (Recap Sheet)
- Customer Pay Effective Labor Rate (Recap Sheet)
- Warranty Labor Rate (Recap Sheet)
- Total Overall Effective Labor Rate
- Overall Technician Proficiency

### **Production Method/Level of Training**

Ryan Chevrolet's service department consists of 4 advisors, a CSI follow up receptionist/loaner manager, a BDC service receptionist, 13 technicians, a shop foreman, 4 porters, and a manger. The service receptionist along with the advisors schedule appointments from incoming phone and internet leads. The service advisors handle all of the dispatching for the service department. Our CSI receptionist follows up on service performed in the shop to ensure customer satisfaction. The service manager handles the daily responsibilities of the service department. His duties include managing incoming service work, assisting techs in diagnosing opportunities/tech development, maintaining employee morale, managing advisors by keeping track of discounting and advisor sales, and striving to increase profitability by reviewing and maintaining expenses.

Our service team relies heavily on our parts department. There, we have two back parts counter men, two front counter men, an assistant parts manager, and our parts manager. Wayne Fleming, parts manager, is responsible for managing inventory, managing his employees, organizing inventory, monitoring the departments gross, and maintaining a working relationship with his best customer - service. It is imperative that the two parties remain on the same page as well as acknowledge their objectives expected by the dealer principal.

The process for our dealership is as follows: When the customer arrives, they are greeted by a service porter and taken to the scheduled or available service advisor along with the vin number and mileage of the vehicle. The advisor creates a repair order to determine the individual customer's reason for visit and loaner manager dispatches the work to the technicians. In the shop, we have a team of two quick service technicians who strictly perform basic services such as oil changes, tire rotations, flushing, brakes, and basic inspection. The rest of the technicians vary in skill level and expertise. For example, we have one technician that works solely on transmissions. Some are certified in some warranty work and others are capable of doing all types of warranty work. The higher skilled techs do not

perform basic services due to our quick service team and that is obviously beneficial to our profitability. The techs perform a multi-point inspection and make recommendations using the General Motors multipoint inspection form. The recommendations are printed and they check with parts department on availability of parts. Techs bring recommendations to the service advisors, and the advisors are responsible for giving a clear explanation to the customer. If the customer decides to undergo the additional work, additional lines are added to the repair order and the R.O. is returned to the technicians. The technician performs the work, inputs their comments, and then the repair order is returned back to the advisors. The tech is then flagged and advisor prints repair order. Lastly, the advisor has the sole responsibility to bring the repair order to the customer and accepts any accepted form of payment. Our advisors are our cashiers.

The type of production method used in our service department is a mixture between work group and team shop operating. We have 13 techs. One A tech, one B, and the rest Cs and Ds. The D techs work in teams of two in our quick lane. Other than that, all other techs work as individuals. Our shop foreman is an A tech and he helps train and identify opportunities for these younger techs. He is an essential part to the growth of our department.

### **Cost of Labor**

The profitability of a dealership is directly affected by their adjustment to cost of labor. Therefore, the importance of a clear understanding of this cannot be understated. The total gross profit of the service department can potentially be negated by the expenses and cost of labor. It should be monitored closely and if possible, changes should be made to reduce these expenses.

Our service department gross profit structure appears needs to be in need of some changes. There are areas where we could reduce expenses but there are some we are somewhat stuck with. We have difficulty finding, maintaining, and retaining technicians. Unfortunately, some actions have had to be taken. We have some guarantees and a few bonus structures. We have bonuses revolving around proficiency that helps increase hours produced. If a tech meets their quota for hours produced (45,50,55 depending on tech) they receive a dollar raise per hour. This increase in expense falls under the adjusted cost of labor.

**Service Department Sales And Gross (Labor Only)**

page A-3

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 79,902	\$ 58,070	72.68%	41.09%
Customer Truck			0%	0.00%
Customer Other	\$ 8,265	\$ 6,691	80.96%	4.25%
Warranty	\$ 54,057	\$ 42,199	78.06%	27.80%
Warranty Other			0%	0.00%
Internal	\$ 30,886	\$ 23,451	75.93%	15.88%
NVI / Road Ready	\$ 21,341	\$ 19,444	91.11%	10.98%
Adj. Cost Of Labor		\$ (17,392)	0%	0.00%
<b>Total</b>	<b>\$ 194,451</b>	<b>\$ 132,463</b>	<b>68.12%</b>	<b>100.00%</b>

**The Picture**

Customer Pay Gross Profit %	73.45%
Total Service Dept. G.P. %	68.12%

**Changes in Expense Structure**

**Service Department Profit Centering**    pageA-7

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 132,463		
Variable Expense		0.00%	
Selling Expense		0.00%	
Personnel Expense	\$ 98,564	74.41%	
Semi-Fixed Expense	\$ 38,418	29.00%	
Fixed Expense	\$ 13,659	10.31%	
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	\$ 150,641	113.72%	
Net Profit	\$ (18,178)	-13.72%	

<b>The Picture</b>	
Customer Pay Gross Profit %	73.45%
Total Service Dept. G.P. %	68.12%
Parts / Labor Ratio (Cust. Pay Only)	0.86
Total Service Dept. Expenses	\$ 150,641

Managing expenses is an essential element to having a profitable service department. If your expenses exceed your gross, you cannot be profitable (Our situation). For a dealer that finds themselves in this position, going in and cutting expenses is not necessarily the correct approach to address this. A dealer could put the dealership in an even worse position. With that being said, the ideal way would be to carefully reduce some expenses if needed, but more importantly find out a way to gross your way out of this problem. A service manager needs to identify the cause of the low gross. Two examples of this could be because of lack of tech proficiency - which explained earlier is effected by many things - and discounting by service advisors. Our gross is depleted due to tech proficiency and the many outliers that cause that to fall. We recently hired a shop foreman to help grow these techs and help them identify opportunities. Our hope is that in hiring him, we will be able to identify problems and sell more hours. We plan on grossing our way out of the loss from the service department.

## Fixed Absorption page A-9

			% Adj Ovhd Exp
Parts Department Total Gross	\$	135,374	25.04%
Service Department Total Gross	\$	132,463	24.50%
Body Shop Department Total Gross	\$	65,790	12.17%
Total Fixed Gross Profit	\$	333,627	
Total Dealership Expense	\$	616,621	
}	New & Used Sales Commission Expense -	\$ 75,905	
	New & Used Policy Expense -	\$ -	
	New & Used Get Ready / Delivery Expense -		
<b>Adjusted Overhead Expense</b>	<b>\$</b>	<b>540,716</b>	
Total Fixed Gross Profit	\$	333,627	
Adjusted Overhead Expense	\$	540,716	
Total Absorption Percentage		61.70%	<b>Guideline 75%</b>

Clear Form

### The Picture

Customer Pay Gross Profit %	73.45%
Total Service Dept. G.P. %	68.12%
Parts / Labor Ratio (Cust. Pay Only)	0.86
Total Service Dept. Expenses	\$ 150,641

Above, one can see that we have a fixed absorption problem. Our fixed absorption percentage sits at 61.7% while the guideline is 75%. The problem with dealerships today is that they focus too much on variable operations. Unfortunately, I feel that we fall in that same category as well. The margins on the variable side are undoubtedly compressing so the importance is higher than ever to have a high fixed absorption rate.

**Pay Plans**

PARTS MANAGER  
#5

February 19, 2015

Memo to: Marvin Almond & Rick Dawson

From: Thad Ryan III, President

Re: Marvin's Service Manager Pay Plan

H

Effective March 1, 2015 Marvin will be compensated as follows:

- 500 1. \$1500 Salary
- 1436 ← 2. 4% of Mechanical Labor as per P.4 L(2) of the GM financial statement  $135,912 \times .04 = 543$
- 567 ← 3. 4% of the parts gross profit transfer as per P.4 L(59) of the GM financial statement  $14,166 \times .04 = 567$
- 789 4. 3% of the Service Department net profit b4 managers (P4 line 61+MGRS comp)
- 750 5. \$750 for achieving service objective  $26,322 \times .03 = 789$
- N 6. \$500.00 for CSI Top Box Blended Metric Chevy(qtd) equal to or greater than 80%
- N 7. \$500.00 for CSI Top Box (3 mo) Cadillac equal to our greater than zone
- N 8. Inclusion on the SFE payout team
- 9. In the event that your earnings do not equal \$6500, then you will receive that as a monthly guarantee.
- 10. This pay plan can be terminated or modified at the discretion of the dealership

9,042

\_\_\_\_\_  
Thad J Ryan III

I have read the above and understand the terms & conditions of my pay plan

\_\_\_\_\_  
Marvin Almond

D

#3 PAY PLAN

FIXED OPS  
DIRECTOR  
#5

May 31, 2016

Memo to: Casey Key & Rick Dawson  
From: Thad Ryan III  
Re: Pay Plan

Effective, June 1, 2016, you will receive as compensation

1. 3.5% of the GM & Honda Gross Profit contained on:

GM Statement: Page 6, line 34 for Mechanical & line 61 minus line 49

(Body shop P&A) for Parts Departments

Honda Statement: Page 3, line 2 for Service & for Parts Departments

2. \$500 if Chevy CSI Key Question is equal or better than Zone Average
3. \$500. If Cadillac CSI Key Question is equal or better than Zone Average
4. \$500 If Honda CSE is equal or better than Zone Average
5. In the event that your earnings do not equal \$11,000.00 then you will receive this as a guaranteed

You will receive a \$6000 sign on bonus. Receipt of which is hereby acknowledged, you agree to maintain employment for a period of one year from today's date.

In the event that you choose to terminate your employment with Ryan before this date, you understand that the entire \$6000 will be immediately due Ryan. Furthermore, you will confess judgment for this amount, and will authorize Ryan to deduct any and all amounts owed to me to help satisfy this obligation. In the event that Ryan chooses to terminate your employment prior to this date for any reason, then you understand that you will NOT be required to reimburse Ryan any portion of the sign on bonus.

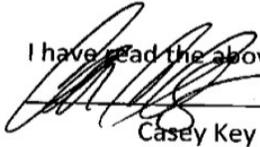
This pay plan is in lieu of all others and can be modified or terminated at the discretion of the dealership.

Thad J Ryan III  
President



70% - GM  
30% - Honda

I have read the above and understand my pay plan and my sign on bonus

  
5/31/2016  
Casey Key

### Ryan Auto Group Service Consultant Pay Plan

- 2.5% OF THE TOTAL PARTS AND LABOR SALES AS PER DMS REPORT

SERVICE ADVISOR PAY  
PLAN  
ONE EXCEPTION AMANDA MCKENZIE  
@ 3.5%  
↳ HIT BONUS 4.5%

#### CUSTOMER PAY LABOR SALES BONUS

20,000-24,999 = 500.00	55,000-59,999 = 2,000.00
25,000-29,999 = 750.00	60,000-64,999 = 2,250.00
30,000-34,999 = 1,000.00	70,000-74,999 = 2,500.00
35,000-39,999 = 1,250.00	75,000-79,999 = 2,750.00
40,000-44,999 = 1,500.00	80,000-89,999 = 3,000.00
50,000-54,999 = 1,750.00	90,000-95,999 = 3,250.00

#### OBJECTIVE LABOR RATE BONUS

105.00 = 400.00
106.00 = 450.00
107.00 = 500.00
108.00 = 550.00
109.00 = 600.00
110.00 = 650.00

#### CSI BONUS

1% INCREASE IN PARTS AND LABOR SALES IF YOUR 3 MONTH AVERAGE STAYS AT OR ABOVE THE ZONE.

- The CSI bonus will only apply if a minimum of eight surveys are returned in the month.
- The bonus program will only pay out once a month at the end of each month.
- Ryan Auto Group will provide 3 months of CSI bonus pay regardless of your zone average.

**Ryan Auto Group Service Consultant Pay Plan**

This is not an employment contract for any term and may be cancelled at any time by either party. This pay plan, while intended to continue, should not be construed as permanent and therefore may be changed, modified, or cancelled at any time, whole or in part.

I have read and fully understand the above terms and conditions.

\_\_\_\_\_  
Employee Print

\_\_\_\_\_  
Manager Print

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Manager Signature

\_\_\_\_\_  
Date

**Performance Programs/Training (Cont)**

Training and development is an integral part to a dealership's growth and success. It is a necessity that starts the day an employee begins working and should never end. It is vital to continue the training throughout their tenure and especially after success. We find that the more trained an employee is, the less stress they have due to their increased skill sets. They are able to realize what is expected of them and how to exceed those expectations. Dealerships should be willing to train their employees on whatever level they deem is necessary.

Our service manager has undergone training since the day he accepted the job. He was sent off immediately to a two-week training course and continues to go to others that the dealer principal deems necessary. The dealer does well keeping him up to speed as to what is expected and insuring that he has the tools to grow as a manager. He has weekly meetings with the service manager. There they go over monthly objectives that are tied into the manager's pay plans and any issues in which aid from the dealer is needed. For example, if he reaches his monthly service objective he receives \$700. This monthly objective can be monitored daily through our DMS' doc. Also, he receives additional money if he reaches CSI objective implemented by General Motors.

The technicians and service advisors must also be well trained. They are both required to take General Motors testing through center of learning. This entails web based training that includes virtual classrooms as well as some on hand work. Most of the on hand for technicians is done off site which takes the technicians out of the service drive. Our technicians are also required to complete ASE testing. As explained previously, the technicians' performance program revolves around proficiency. Our advisors are offered bonuses on labor sales, labor rate, and CSI scores.

## Special Tools

Our shop foreman, Darrell Holloway, does a great job keeping our special tools organized as well as stocking the correct tools. Tools are checked in and out through him.



# **100 Repair Order Analysis**





## Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 2,512	÷ 53.20	= 47.22	FRH Average
Maintenance	\$ 1,992	÷ 19.80	= 100.60	FRH Average
Repair	\$ 3,676	÷ 30.30	= 121.32	FRH Average
Totals	\$ 8,180	÷ 103.30	= 79.18	Customer ELR
			Target Labor Rate	124.23 Per FRH
Total Ro's in Sample	99		Difference	-45.05 Per FRH

### Cost of Labor

Total Cost of Labor	2007.05	÷ Total Sales	= 24.54%	Percent Cost of Sales
Total Cost of Labor	2007.05	÷ Total FRH's	= 19.43	Cost per FRH

### Repair Order Measurements

Total Labor Sales	8,179.75	÷ Total RO's	= 82.62	Avg Labor per RO
Total FRH's	103.30	÷ Total RO's	= 1.04	Avg FRH's per RO
Menu Sales		÷ Total RO's		Percent Menu Sales
Competitive FRH's	53.20	÷ Total FRH's	= 51.50%	Percent Competitive
Maintenance FRH's	19.80	÷ Total FRH's	= 19.17%	Percent Maintenance
Repair FRH'	30.30	÷ Total FRH's	= 29.33%	Percent Repair
One item RO's	71	÷ Total RO's	= 71.72%	Percent One Item RO

### Model Year Analysis

2018	2017	2016	2015	2014	2013	Older	Total
0	7	12	27	18	4	31	99
0.00%	7.07%	12.12%	27.27%	18.18%	4.04%	31.31%	

The bottom line is that we have too many one-line repair orders. We are missing out on too many opportunities in terms of profitability in our service drive. As shown above for this analysis, 71% of our repair orders had only one line. We have to do better in diagnosing vehicles and finding maintenance and repair work. Over 53% of the vehicles that came into our service department in this sample were 2014 or older models. It's hard to believe that these vehicles did not need additional services.

## **Strengths**

- 1.) We have a large customer base and are both well-known and respected throughout our community.
- 2.) Genuine care about customers
- 3.) Service Manager that was a former teacher at Monroe, Louisiana's technical college. He has brought some young technicians that are growing with him and this helps in retaining our techs. He is well respected and this was shown throughout the SWOT analysis.
- 4.) A shop foreman with years of experience as a technician. He helps grow our techs and keeps toolroom well organized while instilling a positive attitude throughout service department.
- 5.) A owner that values his employees and understand the importance of family.
- 6.) We have a great location here in Monroe, Louisiana. We are located in midtown where the majority of business are located

## **Weaknesses**

- 1.) Customer satisfaction score is low
- 2.) Low utilization in terms of shop capacity
- 3.) Lost opportunity due to hours. Open from 7:30 - 5:00 Monday - Friday. We are not convenient for our customers. In all honesty, work is done ~ 8 hours a day.
- 4.) Failure to consistently load shop @ end of the day
- 5.) Low tech proficiency in terms of hours available and hours produced
- 6.) An occasional rift between service manager & fixed operations manager
- 7.) Slow parts distribution. Lost time due to arguments between parts and service
- 8.) An inefficient technician mix. Too many C & D technicians. Technicians that are incapable of seeing opportunities and doing some work.
- 9.) Low morale due in large part to extreme heat
- 10.) Too many one-line Repair Orders
- 11.) Difficulty in hiring well trained, honest technicians

## **Opportunities**

- 1.) Begin to openly work on all makes and models
- 2.) Aggressively market our service drive outside of our five year owner base
- 3.) Increase profits through reducing one-line repair orders by properly evaluating vehicles
- 4.) Young technicians that are growing with our service department. Their increasing knowledge and expertise should correlate to increasing profits due to ability to recognize opportunities
- 5.) Increase communication between technicians and service advisors
- 6.) Keep better track of lost sales in parts department to reduce time spent at counter
- 7.) Increasing CSI by reducing inconsistencies to our service walk around.
- 8.) Finding ways to beat the heat to increase morale in shop
- 9.) Suitable training for service advisors.

## **Threats**

- 1.) Several competitors in our market. Both independent shops and direct competitors.
- 2.) Employee morale which in turn effects customers. Poor attitude trickles down to our customers showing in our CSI scores
- 3.) Not consistently exceeding customer expectations in service visits
- 4.) Advisors hesitant to upsell due to technician skill level
- 5.) Advisors and Technicians inadequate training
- 6.) Lack of convenience for customers.
- 7.) The preconceived notion that independent shops are cheaper.

## **Objectives**

- 1.) Improve technician's proficiency
- 2.) Start working on all makes and models to increase work and widen customer base
- 3.) Reduce discounting by service advisors
- 4.) Reduce amount of one-line repair orders
- 5.) Improve gross on customer pay repair order parts and labor sales
- 6.) Extend hours to be convenient to our customers
- 7.) Refine communication between customers and the service drive
- 8.) Provide a parts inventory better compliments service
- 9.) Hire more qualified technicians

## **Strategies**

- 1.) Place a sign outside of service drive saying we work on all makes and models
- 2.) Increase marketing aggressiveness in all aspects. Spend more on Target Pro once we find the best campaign. Reduce CSSR and move it to Target Pro to expand customer base.
- 3.) Preload shop daily on a consistent basis
- 4.) Track lost sales
- 5.) Assist technicians in finding opportunities to reduce one-line repair orders
- 6.) Look into possibility of reducing adjustment of labor cost
- 7.) Service hours mirror sales
- 8.) Share non-competitor pricing with customers

## **Tactics**

- 1.) Online marketing of working on all makes/models
- 2.) Hold manager responsible for updating competitor pricing every few months
- 3.) Bring in hierarchy to assist in finding the right technicians
- 4.) Post non-competitor pricing in service drive
- 5.) Revise target pro targeting campaign until results appear
- 6.) We are forcing our advisors to reach out to the customers every hour from the time they arrive to update on status of their vehicle
- 7.) We reduced our personnel expense in service department. Got rid of a porter and an advisor.
- 8.) For me, attended weekly meeting with service manager and dealer
- 9.) Have meeting with parts manager every other week regarding lost sales. Make sure we are on same page as to what we want to qualify as lost sale and what we are doing going forward to reduce lost sales. Continually try to share the importance of reducing time lost at back parts counter.

## **Action Plan**

<b>Task</b>	<b>Completion Date</b>	<b>By Whom</b>
-Market working on makes/models July 1 <sup>st</sup>		Service Manager
-Improving CSI December 31 <sup>st</sup>		Dealer & Service Manager
-Extend service hours October 1 <sup>st</sup>		Dealer & Service Manager
-Reduce Cost of Labor October 1 <sup>st</sup>		Dealer
-Insure 100% service walk by sales July 1 <sup>st</sup>		Dealer, GM, Service Manager
Sales at time delivery		
-Attend Service Meetings with Dealer July 1 <sup>st</sup>		Me
-Parts Manager meetings July 1 <sup>st</sup>		General Manager
-Post non-competitor pricing in service July 1 <sup>st</sup>		Service Manager
drive		

## **Synopsis**

There appears to be a lot of room for improvement in our service department, but I feel as if we are heading in the right direction. Our biggest problems revolve around training of personnel and inconvenient hours which results in us having negative profits. Service advisors provide some of the most gross in our dealership. They should be treated as such. We need to provide them with adequate training so they are able to maximize their potential. This goes for technicians as well. There are reasons we have so many one line repair orders. It's true in that some may work harder than others, but for the most part the majority of our technicians are untrained. We have recently brought in a shop foreman to help our technicians diagnose problems more effectively and increase productivity. Our service manager stated that previously, advisors were hesitant to selling more work due to the skill level of the technicians.

Convenience is key to attracting customers. We are currently open from 8-5 Monday - Friday. Therefore, it is evident that we are not convenient. If we put the convenience of customers before our own, we will see more success.

Looking forward, by addressing these problems as well as a few others we should find ourselves back in a profitable position.