

## Synopsis:

Our service department is currently undergoing major changes. We have acquired the Jaguar franchise to go along with the Land Rover franchise. This increase in business and work flow has put a serious strain on the infrastructure of the fixed operations. We have run into numerous issues pertaining to getting work into the shop, getting work authorized from customers, performing the work and then subsequently returning the vehicles to the customers. We have added five additional bays, six additional techs, two additional service writers and two additional porters. After 90 days we are generating record grosses but along with that is coming record expenses leaving us at a net loss for the period. A large portion of these expenses are in the alternative transportation we have been providing for the customers. Sometimes for weeks at a time. Our CSI has suffered along with our profitability. We have a tremendous opportunity with the addition of the jaguar franchise but first we must sort out and correct the issues that come along with the growing pains of this addition.

## Strengths.

1. Large customer base of loyal Jaguar and Range Rover owners
2. Minimal competition. Next closer OEM service center is 100 miles away
3. Experienced technicians are able to quickly diagnose and isolate complicated issues.
4. Experienced service writers have years of experience with this customer base.
5. Shop capacity is good. Recently added 5 more bays.
6. Recently added a computerized MPI system to track and distribute work flows.
7. Recently added two new B techs for LOF and maintenance work.

## Weaknesses.

1. Getting vehicles back to customers in a timely fashion.
2. Service writers are so busy that they don't have time to make return phone calls for customers to pick up their vehicles.
3. Getting work authorized. See #2. So cars sit longer than they should.
4. High expenses for alternative transportation. Loaners and rentals.
5. Service manager has been here for 21 years and having a difficult time with the growth.
6. Parts doesn't stock the needed parts so often items are overnighted at our cost.

7. Service closes at 6:00 pm while sales is open until 7:00. Creates unhappy customers when there is no one available to explain what was done to their cars.
8. Current tech bonus does not reward them for CSI and they have no actual interaction with the customers.

#### Opportunities.

1. Move cars thru quicker so that they don't tie up lifts waiting on parts or authorizations.
2. Acquire computer hardware and software necessary to work on older model Jaguars and Land Rovers.
3. Aggressively market the option to work on older models.
4. Open the dept. up to work on all makes, foreign or domestic.

#### Threats.

1. Independent repair shops. They are taking a portion of our business as we aren't equipped to work on the older vehicles where there is a lot of profit to be made.
2. CSI. Our CSI scores have continually dropped as people aren't returned their cars promptly.
3. Fixed right the first time. Or not. Multiple come back have eroded customer confidence and word spreads quickly.
4. Warranty work is getting more and more difficult as most issue are related to electronics and software and take well longer then book time to complete.
5. Unhappy technicians. As the strong techs work on figuring complicated warranty issues, the B techs get the gravy work. Brakes, fluids, etc...

#### Objectives:

1. Decrease the amount of time it takes to get cars into the cylinder, thru the shop and back to the customer.
2. Improve communication with the customer. Give continued updates to the customer on the status of their vehicle.
3. Improve workflow processes to decrease the levels of chaos and help standardize the fixed operations procedures.
4. Add an additional management position as a Fixed Operations Director to help oversee both Jaguar and Land Rover and ensure functioning of new processes.

5. Install a final step of Quality Control by having an independent QC technician who will put hands on every car that comes thru the shop to insure and verify that all complaints have been addressed. He will also make sure that service reminders have been reset and all problems fixed. This in turn will assist in the increase of our CSI levels.

#### Strategies:

1. Set up priority levels to distribute work load. The longer the car sits the higher the priority level gets. Priority levels are also set according to the level of alternate transport. Rentals being the highest priorities in an attempt to reduce our costs for alternative transportation.
2. Set up a time during the day when each writer can come off the drive and go to a secluded office to make follow up phone calls to customers to get the authorizations required to do the work. As well as getting in touch with customers whose vehicles are finished so that they can retrieve them.
3. Increase Saturday technicians from 3 to 7 while also keeping Saturday appointments at manageable levels so the day can be used to catch up work brought in during the week.
4. Hire an additional layer of management as fixed operations director to act as liaison between the Land Rover shop, the Jaguar shop, and the part department of each shop. This way he can allocate technicians to where the work is needed and oversee the entirety of fixed operations.
5. Our shop foreman will also assume the role of Quality Control supervisor to put the final stamp on each vehicle as it's returned to the customer. This step is probably the most important as it will limit the number of comebacks and help to increase our CSI which has fallen to unacceptable levels.

#### Tactics:

1. Service writers will assign priority levels to each vehicle as they go thru the write up process. They will use various levels to assign the priority such as waiters, those in loaner, those in rentals we are paying for etc... The service manager will oversee these priority levels and make adjustments accordingly as business dictates.
2. A former sales office will be converted to quiet space that the service writers will use for a specified period each day to return phone calls, get work authorized, and have an opportunity to explain to customers that their vehicles are complete and give them an explanation of the bill. This will eliminate the log jam at the writer level in that they are so busy working the drive that they don't have time to follow up with customers.
3. We will create an every other Saturday schedule for our technicians as opposed to a one Saturday a month schedule. This will give us more coverage on Saturdays to handle the inevitable walk-ins as well as allowing us to catch

up on work that is already in process in the event that there is limited Saturday's appointments.

4. Bring on a Fixed Operations Director to oversee the Service Manager, the Parts Manager and all aspects of Fixed Operations from a higher level. What we found was the day to day whirlwind of business left the service manager unable to keep an eye on both the Jaguar and Land Rover operations as well as both shops and both parts departments. The Fixed Ops Director can look at things from a macro level to identify issues and rectify them quickly before they spiral out of control.
5. The role of shop foreman will change from one of a general shop director to that of a quality control supervisor. He will not only dispatch work but also fill in to assist the new technicians with their grasp of the products and check the quality of all work. one of the biggest customer complaints that weve had is that the vehicle is not fixed right the first time as there is no process in place to confirm or verify that all issues have been fixed prior to the vehicle being returned. He will fill out a QC sheet addressing each line item on the original RO.