# Service Department Analysis

for

Mercedes-Benz of San Juan

by

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Class N372

Qualitative Analysis

Strengths:

1. Great teamwork in a family-like environment, very united. Everyone is very comfortable working with one another. Many friendships within the department.

2. We have a great people, products, and processes.

3. We have a large well-equipped shop with great resources and is always very clean. The size and capacity are immense.

4. Many years of experience amongst master techs and service advisors/mangers

5. Camaraderie, Pride, and Integrity

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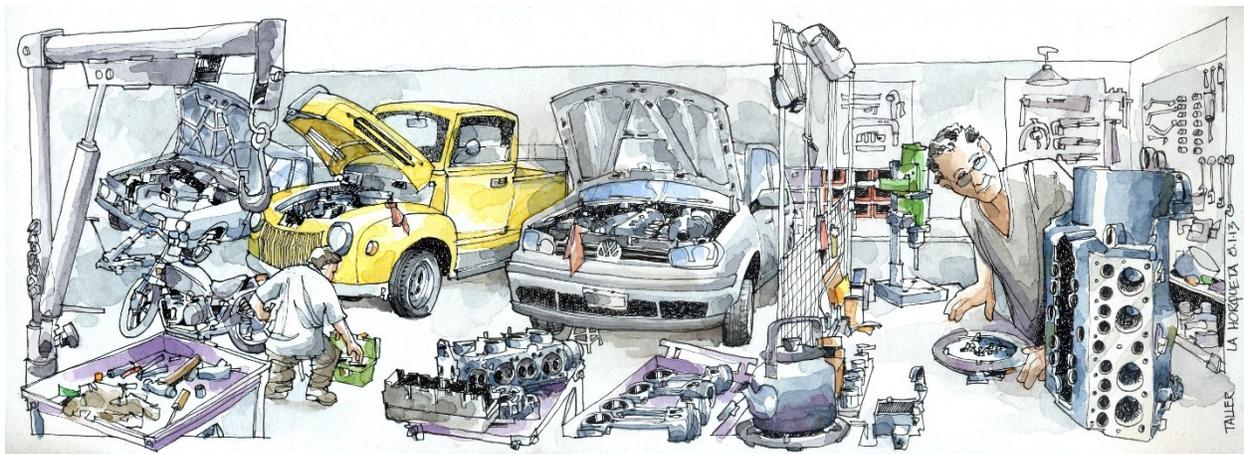
Qualitative Analysis

Weaknesses:

1. Lack of Communication (between customers and advisors, between parts and techs/advisors, b/w make-ready and valets)

2. Disorganized techs coming in late with no since of urgency and management allowing it to happen. Very low productivity and poor time management.

3. Not enough appointments and insufficient work flow.

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Qualitative Analysis

Opportunities:

1. Ongoing training to be able to move up and increase automotive/brand knowledge.

2. Not being envious of others and focusing on your own tasks.

3. Meeting regularly to sharpen our sales tactics and discuss ways to improve production.

4. Customers in service may be in the market for a new car.

5. Improved morale and focus through self-improvement.

6. Repairs getting done faster means more jobs going in and coming out.

Qualitative Analysis

Threats:

1. We are losing a lot of work to ISPs due to our high hourly rate and our reluctancy to discount. ISPs are willing to do the similar work for cheaper prices.

2. Other brands that are now more prevelent in the area (Lexus, BMW, Acura, Land Rover, Jaguar, Audi, Tesla)

3. Delayed parts arrivals for cars in service.

4. Technicians putting work on the back burner.

5. Overall communication between sales and service department.

Objectives / Strategies / Tactics

Objectives:

1. Improve technician productivity, efficiency, and proficiency

2. Increase hours per RO

3. Improve motivation of technicians during slow times

4. Improve communication between all active parties

Strategies:

1. Implement a technician pay plan that rewards techs that are above benchmark and that will penalize the techs that are below the allowable flagged hours.

2. Focus more on a strategic dispatching process.

3. Maximize all hours available everyday

Objectives / Strategies / Tactics

Tactics:

1. The service manager will adapt and implement a new pay plan that will improve tech proficiency.

2. During our current weakly meetings, the service manager will go over past issues and provide follow-up. He will also, scoreboard current hours flagged to see if everyone is on track to hit the optimum level.

3. Adjust technician shift schedule to take into account for traffic flow and a desirability.

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Objectives / Strategies / Tactics

Action Plan:

Task	By Whom	Completion Date
Implement new technician pay plan	Cindy/Jlo	Start of Q2
Have in-depth meetings	Cindy/Jlo	Weekly
Focus more on Strategic Dispatch	Jlo	Daily
Install non-dealer competitive pricing board and amenities	Jlo	March '21
Consider Foreman and CDT pay plans to have a bonus for tech proficiency.	Cindy/Jlo	Start of Q2

Synopsis

We are on the verge of something really special in our service department. Greatness can be achieved with just a little tweaking of pay plans and keeping people accountable to our standards. Our labor sales gross profit percentage is at 83.3% which is above the benchmark of 77.4%. Currently our tech productivity is 99.11 hours per tech/per month which is below benchmark by 57.77 hours. With that being said, if we can increase our hours per tech to benchmark and keep our GP% the same it will increase the department profitability and overall morale.

Repair Order Analysis Summary Report

	Sales in Dollars		FRH's on RO's		Averages	Analysis
Competitive	$ 1,704	÷	10.40	=	163.84	FRH Average
Maintenance	$ 24,132	÷	148.70	=	162.29	FRH Average
Repair	$ 35,702	÷	194.00	=	184.03	FRH Average
Totals	$ 61,538	÷	353.10	=	174.28	Customer ELR
			Target Labor Rate		175.50	Per FRH
Total Ro's in Sample	100		Difference		-1.22	Per FRH

Cost of Labor

Total Cost of Labor	11136.00	÷	Total Sales	=	18.10%	Percent Cost of Sales
Total Cost of Labor	11136.00	÷	Total FRHs	=	31.54	Cost per FRH

Repair Order Measurements

Total Labor Sales	61,537.65	÷	Total ROs	=	615.38	Avg Labor per RO
Total FRHs	353.10	÷	Total ROs	=	3.53	Avg FRH's per RO
Menu Sales		÷	Total ROs	=		Percent Menu Sales
Competitive FRHs	10.40	÷	Total FRHs	=	2.95%	Percent Competitive
Maintenance FRHs	148.70	÷	Total FRHs	=	42.11%	Percent Maintenance
Repair FRH	194.00	÷	Total FRHs	=	54.94%	Percent Repair
One item ROs	41	÷	Total ROs	=	41.00%	Percent One Item RO

Model Year Analysis

2022	2021	2020	2019	2018	2017	Older	Total
0	0	14	10	22	8	46	100
0.00%	0.00%	14.00%	10.00%	22.00%	8.00%	46.00%	

Labor Mix

Percent Competitive Percent Maintenance Percent Repair