

# ***Qualitative Analysis***

## **Strengths**

1. Shop is centrally located close to major metropolitan area and surrounding suburbs. Shop is easily accessible from 3 major highways and close to a major intersection.
2. Facility is large, well equipped and well-staffed. We are currently far below maximum output capacity. Lots of room to grow.
3. Dealership has been around for 30+ years. Name is well recognized in the area and we have a large customer base to tap into to increase service business.
4. Majority of service staff is experienced and welcoming to new employees. Many aspects of staffing can be improved but overall morale is good.
5. Large support staff ready to help when necessary. Great BDC phone rep with a good knowledge base of actual service logistics.
6. Solid loaner and shuttle fleet that can aid in customer satisfaction if utilized efficiently.

# ***Qualitative Analysis***

## **Weaknesses**

1. Shop proficiency is low. Work sold and customers need to increase but we also need to pinpoint which specific techs are falling further behind than others. Customer wait times are high when techs have plenty of time to complete work at hand.
2. Service manager has weak employee management skills but is improving. Is very effective at implementing objectives he has a direct hand in but struggles with getting all employees on board.
3. Need to be better at selling customers that are here. Effective labor rate is low but has been improving. One line RO count is hovering around 30%. Inspection presentation and completion rates are poor. Need to work on initial menu pricing and presentation. Addition of a separate truck/diesel menu would alleviate pricing issues.
4. No set training path for new employees and no set training reviews for skill improvement or modernization for established employees. New ideas are rolled out with no follow through or training path.
5. Number of RO's per day is low and customer wait times are high. Communication between parts, writers, cashier's, and shop is poor. Need to tighten up processes to increase workflow.

# ***Qualitative Analysis***

## **Opportunities**

1. Service department is in a heavily populated area with a high brand owner count. Brand provides us with a multitude of customer names, phone numbers and addresses allowing an easy opportunity to create a new customer campaign.
2. Two billboards are positioned a block from service on a busy street. By purchasing billboards, traffic moving in both directions would be made aware of service location. We can also utilize existing marketing dollars to create service department location awareness and bring back previous customer who have defected and sales customers who have not visited our service department since time of sale.
3. Pricing was recently increased but is still below market right now on competitive services. Our competitive hours sold is below average. Analyze pricing strategy to either highlight low pricing to increase customer base or bring in line with current market.
4. Monthly service contract sales out of service have decreased 70% over the past 2 years. In the past two years we changed our service contract sales to one employee as opposed to selling from the service drive. Need to reevaluate implementation strategy.
5. Facility is nowhere near capacity right now. Current space, bays, techs, etc. could handle at least double our current customer count so long as processes and employees are brought up to speed.

# ***Qualitative Analysis***

## **Threats**

1. Direct brand competition in a more visible location directly across the street. Webb Chevy is located on an adjacent busy intersection, whereas we are tucked away on a side street off the busy intersection. Sales showroom is far more visible causing confusion and multiple stops before reaching Parts and Service.
2. Service writers and support staff are not greeting customers immediately upon entering the service drive. Support staff also walks past customers without greeting. Our service department is large and difficult to find with multiple entrances on different streets. Customers want to feel welcomed and as if they have found the right place when they arrive.
3. Slowing RO count per month. Sales are steady but customer RO count continually decreases. Need to increase customer satisfaction and employee processes. As mentioned before, we need to reevaluate inefficient processes to increase the customer experience.
4. Lower inventory is decreasing internal work. Harder to obtain used car inventory. New car inventory flow is dropping significantly. Parts availability is a continuing issue.
5. Slowing vehicle sales are preventing new customer introduction to service.
6. Customer satisfaction is neutral, need to increase Service Writer's ability to exceed customer expectations.

# ***Qualitative Analysis***

## **Objectives**

1. Increase shop hours and tech proficiency.
2. Decrease employee expense. Review all employees pay plans.
3. Increase service labor sales. Decrease one-line RO's.
4. Increase parts sales to labor sales ratio to 1:1
5. Improve internal processes. Increase ease of communication in department.
6. Decrease customer wait times.
7. Increase number of RO's per day and customer base.
8. Increase service location visibility.
9. Increase parts on shelf and first-time fill rate.
10. Increase tech efficiency and productivity by utilizing support staff.
11. Improve customer communication, sales skills and phones skills.

# ***Qualitative Analysis***

## **Strategies**

1. Customer service and phone training for all front facing employees.
2. Shop meeting with techs and service writers weekly to discuss customer inspections on every repair order. Highlight techs who are successful, discuss best selling add-ons and customer benefits. Get techs feedback on common maintenance not being sold and the benefits to customer.
3. Repair order reviews. Have service manager review 10 RO's from each service writer weekly. Ensure that inspections and quotes are included with each. Review with service writers. Be sure to make notes on parts ordered and availability to review with parts manager.
4. Review importance of shop work mix and proficiency with dispatcher. Chart common repairs by skill level and review strengths and weaknesses of each tech in each category.
5. Review lost sales from service with Parts Manager. Be sure he is up to date on any information for repairs or recalls that seem to be increasing in shop and consider increasing stock accordingly.
6. Utilize internal texting solution to have techs notify parts needed for repairs and have parts text back when parts are ready on counter or unavailable. Utilize internal texting log to aid in tracking when parts were unavailable.
7. Utilize porters to move vehicles from service drive into the shop and back out onto the lot.
8. Dispatch any maintenance only work to lower skill techs as much as possible to cut expense and move maintenance work out of shop faster, cutting customer wait times. Ensure that lower skilled techs are well trained on maintenance menu products.
9. Purchase billboards on busy street at the end of the block from service advertising service location.
10. Train all service writers on extended warranty presentation and benefits. Ensure each customer is being offered an extended warranty at time of service.
11. Train sales and service staff on Accessory sales.

# Qualitative Analysis

## Tactics

1. Consider changing service writer spiffs from specific product upsells to spiffing on number of lines added, one line RO percentage or menu sales added at time of service.
2. Consider adding a bonus to parts managers pay plan based on parts availability. Bonus applies when emergency purchases and special orders are below set guide or first-time fill rate exceeds set guide.
3. Work with parts manager to create a weighted average for oil filters. Currently we have over 50 different oil filters for common makes and models ranging from \$6-\$20 making it difficult to keep set oil changes and maintenance package pricing causing us to keep open service writer's ability to adjust labor pricing. By doing this we can ensure that pricing is the same for every customer and turn off service writer's ability to adjust pricing.
4. Create a separate menu for full size SUVs, pickup trucks, and diesel vehicles.
5. Utilize internal texting system to communicate between service writers, parts, and cashiers to decrease time needed to leave current station. Service facility is the size of football field and each station is spread out. Too much time is wasted daily walking back and forth from each station. Will allow everyone more time to focus on task at hand and service writers more time to focus on customer satisfaction and upselling.
6. Work with techs and service writers to move toward creating videos that can be sent to customers explaining work needed and diagnosis along with written diagnosis. Will cut down on time on phone with customer, increase ease of explanation, increase customer confidence, and decrease wait times on approvals from customers as writers are not playing phone tag with customers.
7. Utilize service smarts to advertise competitive pricing strategy to defected customers and new sales customers who have yet to visit our facility.
8. Create a time deadline for all oil change only customers. 30 minutes for inspection presentation, one-hour total service visit deadline from time of write up to vehicle leaving facility.

## Qualitative Analysis

### Action Plan

<b>Task</b>	<b>By Whom</b>	<b>Completion Date</b>
Create Weighted Oil Filter Pricing	Parts Manager	April 1 <sup>st</sup> , 2021
Secure Billboards outside service	General Manager	April 1 <sup>st</sup> , 2021
Advertise competitive pricing strategy and comparison	General Manager/Service Manager	April 1 <sup>st</sup> , 2021
Review all pays plans and spiffs	General Manager/Service Manager	April 1 <sup>st</sup> , 2021
Implement internal texting solutions	Service Manager/Dispatcher	April 1 <sup>st</sup> , 2021
Create set Truck/Full-Size SUV and Diesel Menu	Service Manager	April 1 <sup>st</sup> , 2021
Weekly RO review with writers	Service Manager	Weekly
Weekly to shop meeting	General Manager/Service Manager	Weekly
Customer Service/Phone Skill training	General Manager/Service Manager	Monthly Review
Set goals and deadlines for customer wait times	Service Manager/Dispatcher	April 1 <sup>st</sup> , 2021
Install Accessories display in Service Drive and at Sales	General Manager/Service Manager/Parts Manager	May 1 <sup>st</sup> , 2021
Weekly Parts and Service meeting	General Manager/Service Manager/Parts Manager	No end date
Create set skill levels per tech to aid dispatch	Service Manager/Dispatcher	April 1 <sup>st</sup> , 2021
Train on video demonstration and implementation	Service Manager/Dispatcher	Monthly Review
Improve first time fill rate to 95%	Service Manager/Parts Manager	May 1 <sup>st</sup> , 2021
Coach Service Manager on employee management	General Manager	Weekly
Increase Service Contract sales to 30 contracts per month	Service Manager	May 1 <sup>st</sup> , 2021

# ***Qualitative Analysis***

## **Synopsis**

Recent pricing changes and analysis have increased OELR and overall RO sales dollar amounts, however shop proficiency and customer wait times still lag far behind where we need them to be. While overall inspection presentation has increased and shop hours have slightly increased it has become evident that to grow our service department and run at full capacity we need to reevaluate, improve, and modernize our internal processes to meet customer expectations.

We should start by focusing on tightening up processes, decreasing completion times and increasing parts and labor sales for the current daily RO count as well increasing service contract sales to former levels. At the same time, we should increase service visibility and ease of customer access through signage. At that point we should then create a large advertising campaign to increase our daily RO count. By focusing on increasing customer satisfaction and processes first we should be able to add a wow factor to any new customers, increasing customer retention.

This is achievable by focusing on training, coaching and weekly meetings to get all service department employees on board. As well as modernizing communication between employees and customers. Without a complete buy in and participation by all employees we cannot turn around the processes quickly enough to achieve our goals.

Tightened processes, communication, and overall department efficiency should be able to provide an increase in employee efficiency leading to increased gross profit over the short-term and a long-term goal to reach total shop capacity by the end of year. As daily RO count increases, we should maintain support staff at the current level and continue to increase their overall efficiency. Over that same period, we should hire more lower paid, lower skill technicians in line as daily RO count increases. This will even out support to tech ratio and decrease total cost of sale.

These small goals will help clear the way to reach full shop capacity, which would represent a 75% increase in total sales dollars and a 50% increase in total shop hours booked per month by year end with no increase in support staff. We have the knowledge, ability, staff, and facility. Looking forward to becoming what our facility was always meant to be, the largest GM service department in the area!