Financial Management Objective Homework

Student Class # [Chris Matthews] **Name:** [323] **Academy**

I plan to accomplish the following objective our next class on: [04/3/17] *by*

Provide the relevant composite data

Department	Month	Page	Column
Service	JAN	29	9

Action plan for achieving objective
What is the area of focus?
Service Department operating profit as % of gross is currently at -34.77. I have set my objective to get the department profitable.
What is the proposed plan? How will you achieve it?
Plan - Analyze areas that are "handcuffing" the department
Achieve – Increase Technician performance
How will you track your progress? What measurements, KPI's? How often will you track?
Tracking hours on clock verses hours being turned. KPI's time clock, hours per RO. Being tracked daily.
Who are the employees that will be involved, or impacted? Will they require training or assistance?
Employees being tracked are the Advisors and the Techs. Training and testing are in place to help improve their performance
Is there a cost, or estimated cost for implementation?
Only Cost is the dollars going out the back door of the shop!
Projected date of completion? This can be an immediate change!   See notes below

Jan.	Feb.	March	April	May	June
July	Aug.	Sept.	Oct.	Nov.	Dec.

I will be the first to admit that Service is not an area that I have had much dealing with being new to the GM role in the dealership. My forte has always been sales. But, after coming back and looking for areas that I was lacking compared to other stores, Service needed the most attention. I drive an hour to work daily after dropping my daughter off to school. So, I get to work around 8:30 – 8:45am. Which means my Service Department had been open for over an hour when I arrive. Being the service employees are in place when I get here, one would assume that they are here on time and clicking along. Boy was I WRONG! **First:** My plan of attack was to find out what was going on. So, I pulled the time clock report for all service employees and found that the total for hours that were lost for the day were 3.47. At a door rate of $105, that equated to $364.35 for only ONE day of time that I will never regain. Now, if that has been happening daily for an average of 26days/month(closed on Sunday) it is an astounding $9,473.10 that I am losing monthly in labor sales. **Second:** I took the advice of Steve and made a conscious effort to take notice of what was going on at my back parts window. And, of course, I noticed that there was a more than tolerable amount of lag time with the techs hanging out waiting on parts to be pulled, talking, etc. So I have CLOSED my back parts window and have instructed my back counter guy to pull the parts and deliver to the tech stations so they can "stay under the hood". **THIRD:** implemented a plan to limit the number of smoke breaks daily to 2 after seeing that every time I stuck my head in the shop area, someone had a cigarette in their hand. Next was to handle the cell phone issue! Techs are no longer allowed to use their mobile devices while on "shop time". Let's just say that the average lag time in my shop daily per tech is 2 instead of the 3 that we discussed in class. I have 4 techs and that causes me to lose 8hrs/day at $105 which totals $840 per day and totals to the tune of $21,840.00 for the average month in lost labor dollars. With the late techs and the lag time that is a total of $31,313.10 in potential labor dollars(I am aware that it is dependent on the EFLR) that I am losing monthly. **FOURTH:** I pulled my hours/tech/mthly to see where the hours that WERE being generated was coming from. My lead tech turned 267 total hours for the month of January and only 68 of them were customer pay. So it was evident that he was relying on internals, such as PDI's and UCI's to make his check. Which means that we have been turning away customer pay. It will not be fixed overnight, but it is surely a step in the right direction.