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Class N374

Strengths

New Technology

Constant Need for Service

Positive Staff

Support from Co-Workers

Available Information

People

Weakness

Covid

Fixed First Visit

Availability of Parts

Getting Vehicles Completed

No work ethic

Lack of Technicians

Opportunities

Connect with Techs

Offer Tuition Assistance for Schools and provide job during assistance with a 1-2 year term of employment

Build long term relationships

Transportation

Job Growth

Threats

Covid

Techs with proper training

Online car companies

Based upon the SWOT analysis survey taken from staff I believe we have some work to do. We seem to do well with our people getting along and supporting one another. Additionally, they feel technology, available information and need for service are all positive.

Our weaknesses are not very unexpected to me for the most part. Shortage of technicians is a huge concern. Parts are an issue do to supply but feel that is the entire world and we need to do a better job communicating this issue. Fixed first visit is something we should be able to solve by just taking the time. Time is money and we are costing ourselves more with comebacks than if we took the vehicle for a proper test drive after the work is complete. Getting vehicles completed and lack of technicians I feel go hand in hand, and we need to recruit. The part that got me was the "No Work Ethic" comment. Was on a survey that stated we have a positive staff. So, I found it a little alarming. Feel this needs a little more investigation before jumping to a conclusion.

For the opportunities we have so many. The offer of school tuition with a condition of employment and good grades I feel was a great idea. Transportation is an issue and something that will not resolve easily. Insurance and liability have a large effect on this and not sure we can make a good case to offer this. I feel we need to think about showing a path to growth and advancement in the company. Building long term relationships and connecting with technicians are two areas that will need some help with culture change.

Threats of the continued pandemic we have no control over and not much we can do to guard against it. Techs with proper training I feel is only a threat if we refuse to hire them. Online car companies are a threat to the sales side, but not quite sure where that will leave service overall.

From all this the actions I would take would be to start with a hiring campaign over the next 12 months. Offer \$4,000 in total finder fee for any tech who brings us a qualified technician. Pay \$1,000 per quarter that technician is employed with us up to \$4,000. Also offer the same signing bonus to the acquired technician. Review the rewards of this program every 3 months. Service Manager, Technicians and Writers all need to be involved.

The next action I would take is the improvement of communication between writers and technicians. Hold a breakfast meeting every two weeks to start on a Monday and then once a month after we start to make some headway. Have open discussions on issues and processes and look for ways to improve. Use this as an opportunity to build long term relationships and connect with technicians. Also, reduce the number of comebacks and increase our fixed first visit scores. All parties from porters, managers, writers, techs will need to be involved. This will be measured monthly for improvement on fixed first visit scores. Also, will look at how relationships are going by taking another anonymous survey at 3 and 6 months. See what will be an effective approach from there.

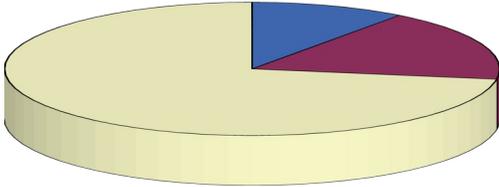
Repair Order Analysis Summary Report

| | | Sales in Dollars | | FRH's on RO's | | Averages | | Analysis | |
|----------------------------------|---|------------------|---|-------------------|---|----------|-----------------------|--------------|--|
| Competitive | | \$ 1,459 | ÷ | 24.60 | = | 59.29 | | FRH Average | |
| Maintenance | | \$ 5,194 | ÷ | 42.10 | = | 123.36 | | FRH Average | |
| Repair | | \$ 21,119 | ÷ | 175.95 | = | 120.03 | | FRH Average | |
| Totals | | \$ 27,771 | ÷ | 242.65 | = | 114.45 | | Customer ELR | |
| | | | | Target Labor Rate | | | | Per FRH | |
| Total Ro's in Sample | 0 | | | Difference | | 114.45 | Per FRH | | |
| Cost of Labor | | | | | | | | | |
| Total Cost of Labor | | 7188.70 | ÷ | Total Sales | = | 25.89% | Percent Cost of Sales | | |
| Total Cost of Labor | | 7188.70 | ÷ | Total FRHs | = | 29.63 | Cost per FRH | | |
| Repair Order Measurements | | | | | | | | | |
| Total Labor Sales | | 27,771.28 | ÷ | Total ROs | = | | Avg Labor per RO | | |
| Total FRHs | | 242.65 | ÷ | Total ROs | = | | Avg FRH's per RO | | |
| Menu Sales | | | ÷ | Total ROs | = | | Percent Menu Sales | | |
| Competitive FRHs | | 24.60 | ÷ | Total FRHs | = | 10.14% | Percent Competitive | | |
| Maintenance FRHs | | 42.10 | ÷ | Total FRHs | = | 17.35% | Percent Maintenance | | |
| Repair FRH | | 175.95 | ÷ | Total FRHs | = | 72.51% | Percent Repair | | |
| One item ROs | | 54 | ÷ | Total ROs | = | | Percent One Item RO | | |

Model Year Analysis

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | Older | Total |
|-------|-------|-------|-------|-------|--------|--------|-------|
| 0 | 0 | 7 | 7 | 8 | 17 | 61 | 100 |
| 0.00% | 0.00% | 7.00% | 7.00% | 8.00% | 17.00% | 61.00% | |

Labor Mix



■ Percent Competitive ■ Percent Maintenance ■ Percent Repair