

**Service Qualitative Analysis**

*John Toppi*

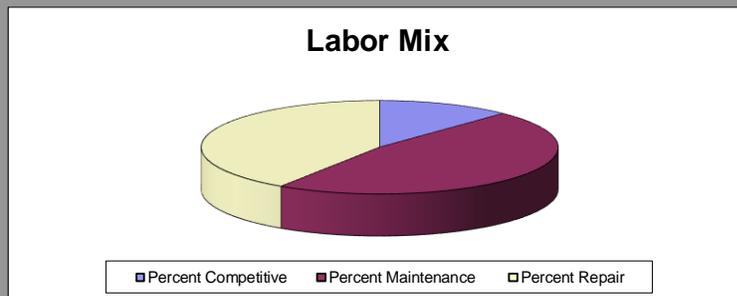
*Jeff Cawood*

*Leigh A. Dennis*

**Suburban Cadillac of Troy**

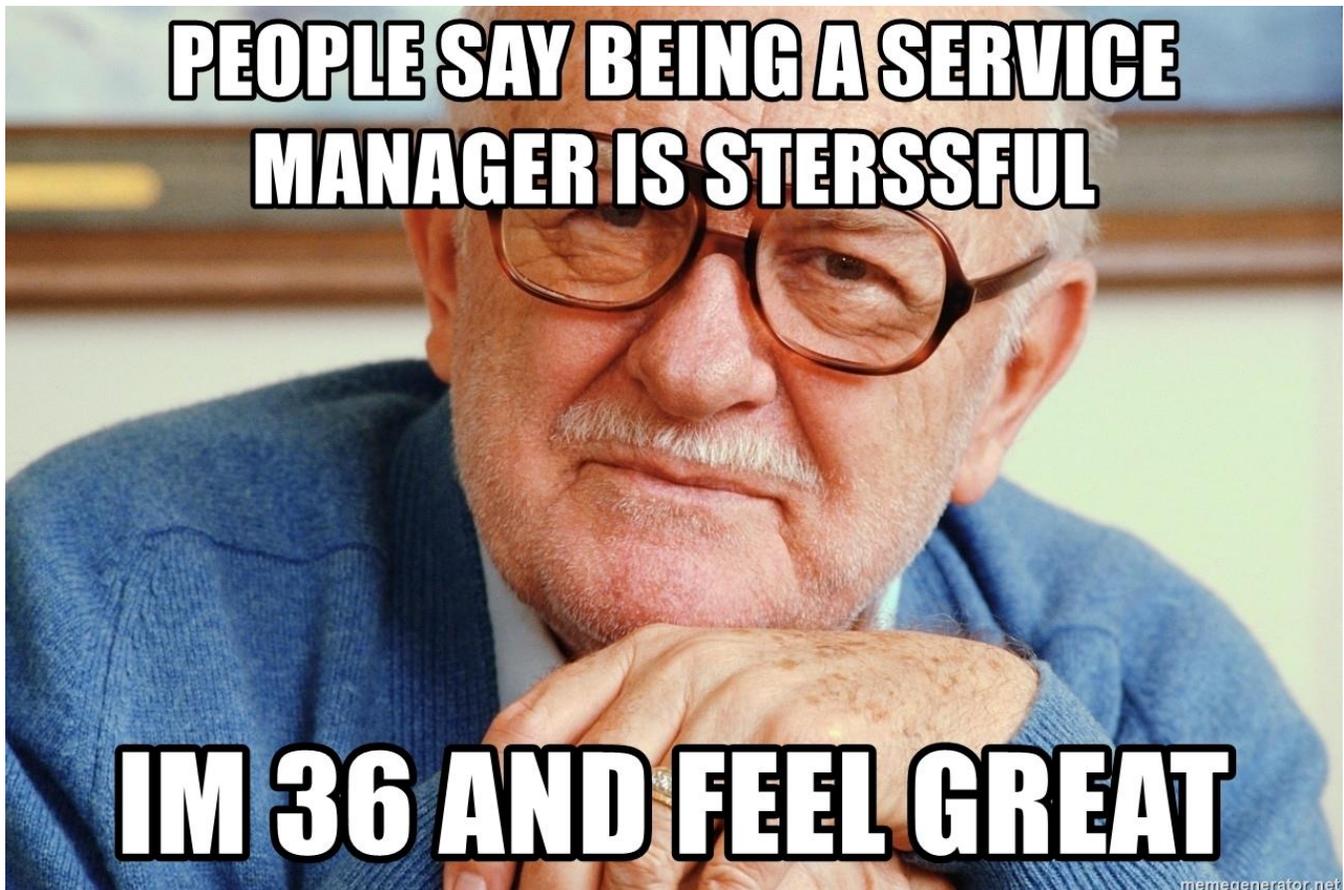
**Class N376**

Repair Order Analysis Summary Report							
	Sales in Dollars	FRH's on RO's	Averages	Analysis			
Competitive	\$ 1,577	÷ 20.00	= 78.84	FRH Average			
Maintenance	\$ 5,338	÷ 77.70	= 68.70	FRH Average			
Repair	\$ 11,725	÷ 67.10	= 174.73	FRH Average			
Totals	\$ 18,640	÷ 164.80	= 113.11	Customer ELR			
			Target Labor Rate	151.98	Per FRH		
Total Ro's in Sample	100	Difference		-38.87	Per FRH		
Cost of Labor							
Total Cost of Labor	3663.90	÷ Total Sales	= 19.66%	Percent Cost of Sales			
Total Cost of Labor	3663.90	÷ Total FRHs	= 22.23	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	18,639.80	÷ Total ROs	= 186.40	Avg Labor per RO			
Total FRHs	164.80	÷ Total ROs	= 1.65	Avg FRH's per RO			
Menu Sales		÷ Total ROs	=	Percent Menu Sales			
Competitive FRHs	20.00	÷ Total FRHs	= 12.14%	Percent Competitive			
Maintenance FRHs	77.70	÷ Total FRHs	= 47.15%	Percent Maintenance			
Repair FRH	67.10	÷ Total FRHs	= 40.72%	Percent Repair			
One item ROs	48	÷ Total ROs	= 48.00%	Percent One Item RO			
Model Year Analysis							
2022	2021	2020	2019	2018	2017	Older	Total
0	0	17	24	7	11	41	100
0.00%	0.00%	17.00%	24.00%	7.00%	11.00%	41.00%	



Questions / Answers:

1. Our repair rate is about \$18.00 higher than our posted door rate. The reason for this is the use of a Matrix.
2. We simply do not discount.
3. 1.8 hours per RO due to higher volumes of maintenance.
4. 48% of one-line RO's, this is an area that needs improvement.



<p style="text-align: center;"><b>STRENGTHS</b></p>	<p style="text-align: center;"><b>WEAKNESSES</b></p>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ol style="list-style-type: none"> <li>1. Must start working on all makes and models.</li> <li>2. Increase our maintenance cost to be more competitive with our competition.</li> <li>3. Market our pick-up your vehicle service campaign.</li> <li>4. Increase usage of video multi point inspections to build trust and transparency for our customers.</li> <li>5. Must have consistency for our advisors in both training sales and phones skills.</li> <li>6. Increase service hours to reflect open showroom hours.</li> </ol>	<p style="text-align: center;"><b>THREATS</b></p> <ol style="list-style-type: none"> <li>1. Independent repair facilities</li> <li>2. Not extending service hours to increase market share and service retention</li> <li>3. Electric Vehicles that could potentially decrease profits</li> <li>4. Not being able to find the next generation of skilled technicians.</li> </ol>

**Action Plan***John Toppi**Jeff Cawood**Leigh A. Dennis***Suburban Cadillac of Troy****Class N376**

## Objectives:

1. Improve hours and gross on all maintenance RO's
2. Set goals to improve technician productivity, efficiency, proficiency
3. Increase customer multi-point inspection in the service lane
4. Treat our customers like they are worth a million dollars \$\$\$

## Strategies:

1. Increase our service hours to match our sales hours, this will increase service retention to meet customer demand
2. Increase our vehicle pick up for service campaign
3. Advertise and promote transparent pricing on all makes and models in the service department
4. Set goals to increase technician productivity and reward them for meeting their goals
5. Implement consistent use and creation of video inspections by technician to increase customer trust and transparency

## Tactics:

1. Require Service and Parts managers to communicate possible lost sales and retention
2. Advertise Service discounts to attract and retain customers
3. Quality training available for Advisors and Parts sales to improve phone sales
4. Pricing guideline reconciliation and reporting done by Service Manager to remain current on our Manufacturer standards
5. Weekly recap of RO's to address job dispatching with advisors to correctly maximize gross.
6. Increase our ELR by utilizing the technical skillset of apprentice techs for Competitive and Maintenance work instead of higher rate master techs
7. Pay plans need to be based and reviewed for productivity, shop efficiency, and proficiency.

Action Plan:

<b>Task</b>	<b>Role</b>	<b>Completion Date</b>
Watch Internal Discounting	Service Manager	Weekly, Ongoing
Track Loss of Sales, Parts & Svc	Parts Manger	Weekly, Ongoing
Extended Service Hours	General Mgr, Service Manager	October 1
Advertise Svc Discounts available through evening and Saturday extended hours	General Mgr, Service Manager	October 1
Displaying non-dealer Competitive pricing board	Service Manger	October 1
Adjust Pay Plans	General Mgr, Service Manager	October 1
Training, Service and Parts	Service and Parts Managers	October 1
Review Pricing Guidelines	General Mgr, Service Manager	October 1
Shop Local repair facilities, Maintaining a competitive presence	Shop Foreman, Service Manager	October 1
Bonus pay structure, goal completion	Service Manager	October 1
Weekly Review of Ro's w/advisors	Service Manager	October 1

**Synopsis***John Toppi**Jeff Cawood**Leigh A. Dennis***Suburban Cadillac of Troy****Class N376**

- After a review of our repair order analysis, we see that there may be an opportunity for pricing adjustments on maintenance and competitive work. This will help to increase our Effective Labor Rate and keep us on trend with manufacturer requirements/guidelines. We will continue to focus on local competitive repair facilities to compare and analyze our market penetration. Awareness of market needs and providers will help us to offer competitive rates while reducing loss of gross.
- Extension of service hours to match our sales department will expand our market and consumer visibility and accessibility. This will also contribute to increased service retention, positive customer experiences, and overall employee productivity.
- Customer Facing: our display of dealer and non-dealer pricing and services offered will promote customer interest and awareness for add on or return services for all makes and models, we are not a one manufacturer shop! We will develop and offer Technician inspection videos to showcase and inform customers in an understandable and visual experience of vehicle maintenance and potential repairs needed. This will give them the opportunity to see it for themselves!
- Sales Advisor training will be easily accessible and required to help our associates gain confidence and knowledge to earn customer trust. This will also enhance our inter-departmental communication on how we approach and work with each other.
- Productivity, Efficiency, Proficiency – we will help our Sales Advisors and Technicians to set realistic goals and motivate them to reach professional growth. Creating processes that they understand and follow will help the culture of our dealership, in turn we will see consistent customer satisfaction and retention.
- Weekly Department Manager meetings to review and monitor loss of sales and missed opportunities will bring the awareness of break in process and employee performance. Addressing departmental highs and lows will keep us on the right track.

**Service Department Sales And Gross (Labor Only)**

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car			0%	0%
Customer Truck			0%	0%
Customer Other	\$ 159,494	\$ 122,694	76.93%	49.47%
Warranty	\$ 112,163	\$ 82,865	73.88%	34.79%
Warranty Other			0%	0%
Internal	\$ 30,252	\$ 22,751	75.20%	9.38%
NVI / Road Ready	\$ 20,472	\$ 18,405	89.90%	6.35%
Adj. Cost Of Labor		\$ (30)	0%	0.00%
<b>Total</b>	<b>\$ 322,381</b>	<b>\$ 246,685</b>	<b>76.52%</b>	<b>100.00%</b>

**Service Department Profit Centering**

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 247,102		
Variable Expense		0.00%	
Selling Expense		0.00%	
Personnel Expense	\$ 216,386	87.57%	
Semi-Fixed Expense	\$ 54,939	22.23%	
Fixed Expense	\$ 39,117	15.83%	
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	\$ 310,442	125.63%	
Net Profit	\$ (63,340)	-25.63%	

## NADA ACTUAL SERVICE ANALYSIS

Performance

	<i>Labor Sales / Month</i>	÷	<i>Hourly Labor Rate</i>	=	<i>Hours Billed</i>
Customer Car*		÷		=	0.00
Customer Truck*		÷		=	0.00
Customer Other*	\$ 159,494	÷	107.32	=	1486.2
Warranty	\$ 112,163	÷	120.22	=	933.0
Internal	\$ 30,252	÷	86.68	=	349.0
New Vehicle Prep	\$ 20,472	÷	147.27	=	139.0
<b>Total</b>	<b>\$ 322,381</b>				<b>2907.2</b>

**POTENTIAL**

$$\begin{array}{r}
 \boxed{\$ 322,381} \div \boxed{2907.15} = \boxed{\$ 110.89} \\
 \text{Total labor sales for month} \quad \text{Total hours billed} \quad \text{Effective Labor Rate}
 \end{array}$$

$$\begin{array}{r}
 \boxed{19.00} \times \boxed{8} \times \boxed{22} = \boxed{3,344.0} \\
 \text{\# Service mechanical technicians} \quad \text{\# Hours/Day} \quad \text{Working Days/Month} \quad \text{Clock Hour Avail}
 \end{array}$$

$$\begin{array}{r}
 \boxed{3,344.0} \times \boxed{\$ 110.89} = \boxed{\$ 370,824} \\
 \text{Clock Hours Available} \quad \text{Effective Labor Rate} \quad \text{Labor sales potential}
 \end{array}$$

How proficient are your technicians ?

$$\begin{array}{r}
 \boxed{2,907.1} \div \boxed{3,344.00} = \boxed{86.94\%} \\
 \text{Hours Billed} \quad \text{Hours Available} \quad \text{Tech Proficiency}
 \end{array}$$

Customer labor divide by the Customer Effective Labor rate from the R. O. Analysis

FACILITY POTENTIAL	
Number of Bays	36
	x
Number of Days	22
	x
Number of Hours	10
	x
Effective Labor Rate	110.89
FACILITY POTENTIAL	\$ 878,249

FACILITY UTILIZATION	
Total Labor Sales	\$ 322,381
	÷
Facility Potential	\$ 878,249
	<i>equals</i>
FACILITY UTILIZATION	36.71%