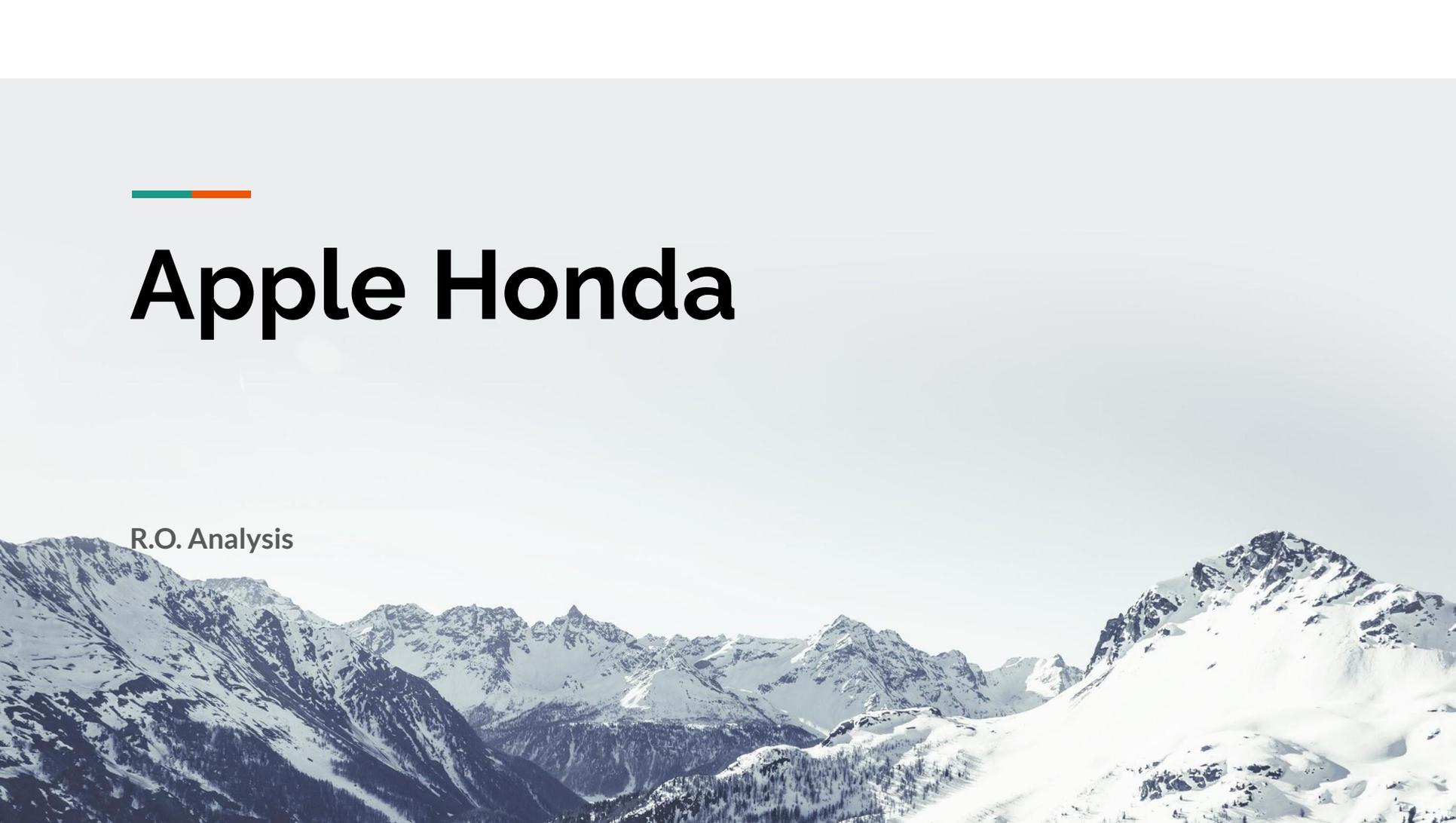




Apple Honda

R.O. Analysis



Key Takeaways

- One item ROs substantially higher than guide
- Repair rate lower than Maintenance due to heavy discounting to remain competitive with local shops
- Dispatcher needs to be aware of who gets what: 157 shouldn't be doing one-line oil changes
- Advisors need to do a better job of upselling. Literally every one item R.O. had a declined service of some kind.
- FRH per R.O., as a result, is well below guide.
- Repair work lower than guide (30% vs 40). Locals are still leery of dealerships, prefer local techs. Most repair work tickets are key replacements and electrical work.

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 5,521	61.70	89.47	FRH Average
Maintenance	\$ 4,733	38.60	122.62	FRH Average
Repair	\$ 5,114	43.30	118.12	FRH Average
Totals	\$ 15,368	143.60	107.02	Customer ELR
		Target Labor Rate	119.95	Per FRH
Total Ro's in Sample	100	Difference	-12.93	Per FRH

Cost of Labor

Total Cost of Labor	3632.25	Total Sales	23.63%	Percent Cost of Sales
Total Cost of Labor	3632.25	Total FRHs	25.29	Cost per FRH

Repair Order Measurements

Total Labor Sales	15,368.09	Total ROs	153.68	Avg Labor per RO
Total FRHs	143.60	Total ROs	1.44	Avg FRH's per RO
Menu Sales		Total ROs		Percent Menu Sales
Competitive FRHs	61.70	Total FRHs	42.97%	Percent Competitive
Maintenance FRHs	38.60	Total FRHs	26.89%	Percent Maintenance
Repair FRH	43.30	Total FRHs	30.15%	Percent Repair
One item ROs	37	Total ROs	37.00%	Percent One Item RO

Model Year Analysis

2022	2021	2020	2019	2018	2017	Older
0	3	8	15	14	13	47
0.00%	3.00%	8.00%	15.00%	14.00%	13.00%	47.00%



Strengths

Knowledgeable advisors and techs - very comfortable explaining technical details to customers.

Loyal customers - long history of service with some cars or customers.

Tech-friendly management: willing to explore any new idea for better service.

Region-leading CSE scores year round.

Dedicated Service BDC - helps drive business, fill calendar with appointments every day. Very good follow-up.





Weaknesses

Service Manager does not have assistant - typically works bell to bell every day. Also doubles as emergency Service Advisor.

While Mgmt. pushes tech, advisors have trouble adopting it. Still use older scheduling system, won't text etc.

Preferential treatment given to certain techs- work divvied out unevenly. Repair times uneven / long as a result.

Fear of the up-sell: Plenty of maintenance work to do, but service advisors are scared to ask customers.

Heavy handed discounting leads to lots of lost revenue





Opportunities

Migration to area: huge surge in population after COVID

Inability for most local shops to do repair / warranty work on newer models

Increase in average salary in area: more \$ to spend on services

Back to regular sales numbers: more opportunities to create loyal service customers.

Long-haul commuter area: people drive long distances to and from work. Need service frequently / hit maintenance mileage sooner.





Threats

38% Hispanic zip-code - only ONE Spanish speaking advisor

Locals still prefer independent shops for competitive items like oil changes, tires, etc.

Lack of new cars sold last year - drives new car maintenance down.

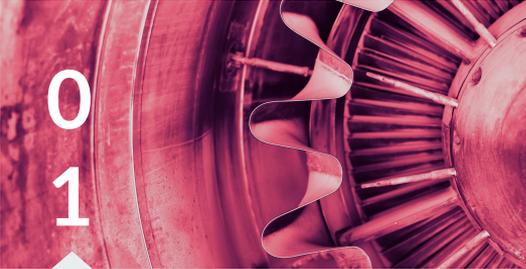
Inaccessible, Byzantine, Honda rewards program - lack of understanding what it includes.

Comparatively small shop re: other Honda dealerships in county. Limited hours as well.





Objectives



0
1

Discount Better

Change approval process

Develop alternatives

Lower One-Line R.O.s

Get over the upsell hurdle

Sell value and need



0
2



0
3

Improve FRH Per R.O.

More maintenance items

More labor-intensive repair work.



Goals

As a result of analyzing the RO's and setting our objectives, three numbers emerge as our target for the upcoming year. In keeping the goals, ambitious but realistic, we could feasibly be at these targets one year from June 1st.

20%

One line repair orders

40%

Repair Work Orders

2.0

FRH's per R.O.



Tactics

1

SALES TRAINING: All service advisors must complete some form of training. Force them, at this point, to adopt new tech readily available to them.

2

Work with manager to create spiffs for upselling various items.

3

Create an Apple Honda specific rewards program. Create mileage specific services with maintenance items and built-in discounts.

4

Use service BDC to call on declined services, warranty, etc. to expand customer base.



ACTION PLAN

TASK	ROLE	DATE
Weekly Sales Training	GM, Service Manager, Advisor	Weekly for 8 weeks
Rewards Program Creation	GM, All Managers	Bimonthly
BDC Call List Creation	BDC Manager, Service Manager, Parts Manager	Biweekly
Open Sundays	GM	By Aug. 1
New Tech Adoption	Service Advisors, Manager	By Jun. 15
Spanish Language Marketing	Service Manager, GM, Marketing Team	By Jul. 1



Synopsis

Following an analysis of 100 repair orders taken randomly over the course of one week in April, 2021, key takeaways and an action plan were created to help get the dealership closer to guide.

The techs, aside from being distributed work unevenly on occasion, are doing what they need to keep the department running well. However, much relies on the advisors to sell maintenance items found during the multipoint.

By having clear, achievable goals tied to the sampling of ROs in a given week, it gives us ample time to retrain the advisors and retarget our marketing. The action plan developed hinges on investment from both management and staff, but, given they do that, Apple Honda will be well on their way to being more profitable and efficient than ever before.