

# Carling Motors (Volvo & Mazda) Fixed Operations

Financial Statement September 2017  
(Mazda figures only)

Dan Gervais N326-02

# Advertising

We have an internal marketing department for the group. We do internal e-mail blast for each season promoting seasonal specials and post them on social media and web pages. Example shown below.

**Service and Parts Promotions**  
Best Savings. Best Deals.

Take advantage of our exclusive Service and Accessories Promotions for the month. Present or apply for any of the following coupons and start saving money today. If you fill in any of the forms below, our appointment coordinator will have your information on file and will be able to apply the coupon to your next appointment.

**SEASON SPECIAL**

COUPON FOR  
**BALANCE, INSTALL, ALIGN**

**\$144.95**

Balance & install your present winter tires & perform a 4 wheel alignment.

**BATTERY SPECIAL**

COUPON FOR  
**BATTERY INSPECTION & TEST**

**\$19.95**

**TIRES PROMO SPECIAL**

**GET A GRIP**

**\$50 OFF**

A set of 4 New Winter Tires

**CLICK TO LEARN MORE!**

Additional charges apply if tires need to be mounted on rims. See store when Expires on November 30. Only valid at Carling Motors. To Book Special: 613-694-2800

No cash value. Expires on November 30. Only valid at Carling Motors. To Book Special: 613-694-2800

No cash value. Expires on December 31st. Only valid at Carling Motors. To Book Special: 613-694-2800

**FORGETTING SOMETHING?**  
Remember, scheduled maintenance is important for keeping your Mazda performing at its best.

**Carling Motors**  
1638 Carling Avenue  
Ottawa, ON K2A1G5  
(613) 694-2800

**Service Department Phone:**  
613-694-2800

**Hours:**  
Mon - Fri: 7:15AM - 5:30PM

mazda-ottawa.com

**Fall Service Special** **\$89.95** Plus Tax

- Rotate, inspect and Grease Wheels at Blue
- Inspect and replace tires, check tread wear
- Check brake system
- Check engine oil level
- Check and adjust tire pressure
- Check and adjust engine
- Check coolant levels at 10 days
- Complete Service Inspection Report
- Washed on site

**Mazda Service**

We know you have many choices when it comes to keeping your Mazda. We're here to help. Please call us today. \*Excludes lease and fleet. †Excludes lease and fleet. ‡Excludes lease and fleet. ††Excludes lease and fleet. †††Excludes lease and fleet.

If you would no longer like to receive electronic communications from «DEALER NAME», please follow this [LINK](#) to unsubscribe. This is a system email account, and unfortunately, replies to this email cannot be acknowledged. This email was sent to you by Concentrix on behalf of Mazda Canada and «DEALER NAME». To unsubscribe from future communications from Mazda Canada, please follow this [LINK](#) to unsubscribe. This is a system email account, and unfortunately, replies to this email cannot be acknowledged. If you have any questions, please contact Mazda Canada Privacy Office, 55 Vogel Road, Richmond Hill ON, L4B 3N5 or [privacy@mazda.ca](mailto:privacy@mazda.ca).

# Marketing

COMPETITIVE MAINTENANCE PRICING SUMMARY\* - NON DEALER

COMPETITOR	LUBE, OIL & FILTER	ROTATE FRONT/ REAR TIRES	BALANCE FRONT/ REAR TIRES	ALIGN FRONT END	SERVICE A/C	REPLACE FRONT DISC PADS
Canadian Tire	\$89.99	\$28.00	\$16.25 ea	\$100.00	\$100.00	\$168.00 labor
<b>Midas</b>	\$79.95	\$29.99	\$15.00 ea	\$110.00	\$129.95	N/A
<b>Active Green And Ross</b>	\$79.95	\$39.95	\$39.95	\$92.45	\$89.95	\$450.00
Luxe Auto	\$99-119.00	\$20.00	\$50.00	\$119.00	\$156.75	\$160-\$240.00 labor
Gary's Automotive	\$89.95	\$30.00	\$60.00	\$99.00	\$50.00	\$114.95 labor
Jim Dickson	\$83.00	\$38.00	\$40.00	N/A	\$280.00	2.6 hrs
The Car Clinic	\$85.00	\$15.00ea	incl	N/A	\$95.00	\$142.00labor
Frisby Tire	\$89.00	\$8.50 ea	\$15.00 ea	\$99.00	\$99.00	\$500.00
East Motors	\$55.00	N/C with LOF	\$15.00 ea	\$120.00	\$90.00	\$180.00
Triole	\$100.00	\$40.00	\$12.00 ea	\$80.00	\$140.00	\$120.00 labor
<b>TOTALS</b>	\$87.08	\$35.55	\$54.00	\$102.43	\$114.00	
MY DEALERSHIP	67.00 <del>\$105.00</del>	27.95 <del>\$49.95</del>	60.00 <del>\$64.95</del>	99.95 <del>\$80.00</del>	114.00 <del>\$124.00</del>	228.00 labor <del>\$248.00 labor</del>

# Facility

FACILITY POTENTIAL	
Number of Bays	7
	x
Number of Days	20
	x
Number of Hours	9
	x
Effective Labor Rate	112.89
	<i>equals</i>
FACILITY POTENTIAL	\$ 142,241

FACILITY UTILIZATION	
Total Labor Sales	\$ 101,149
	÷
Facility Potential	\$ 142,241
	<i>equals</i>
FACILITY UTILIZATION	71.11%

# Productivity

## NADA ACTUAL SERVICE ANALYSIS

### Performance

	<i>Labor Sales / Month</i>		<i>Hourly Labor Rate</i>	=	<i>Hours Billed</i>
Customer Car*	\$ 68,714	÷	114.00	=	602.8
Customer Truck*	\$ -	÷		=	0.00
Customer Other*	\$ -	÷	114.00	=	0.0
Warranty	\$ 12,582	÷	105.00	=	119.8
Internal	\$ 19,853	÷	114.00	=	174.1
New Vehicle Prep	\$ -	÷		=	0.00
<b>Total</b>	<b>\$ 101,149</b>				<b>896.7</b>

### POTENTIAL

$$\frac{\$ 101,149}{\text{Total labor sales for month}} \div \frac{896.73}{\text{Total hours billed}} = \frac{\$ 112.80}{\text{Effective Labor Rate}}$$

$$\frac{6.00}{\text{\# Service mechanical technicians}} \times \frac{9}{\text{\# Hours/Day}} \times \frac{20}{\text{Working Days/Month}} = \frac{1,080.0}{\text{Clock Hour Aval}}$$

$$\frac{1,080.0}{\text{Clock Hours Available}} \times \frac{\$ 112.80}{\text{Effective Labor Rate}} = \frac{\$ 121,821}{\text{Labor sales potential}}$$

How proficient are your technicians ?

$$\frac{896.0}{\text{Hours Produced}} \div \frac{1,080.00}{\text{Hours Available}} = \frac{82.96\%}{\text{Tech Proficiency}}$$

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



Production

Method

## Team Production

This method of operation is characterized by teams of 4-6 technicians working together in a defined area, performing all types of work, and sharing the overall daily production on an equal unit basis. Also typical of team production:

1. A *service manager* is responsible for the department and only ASMs and team leaders report directly to him.
2. *Service advisors* are called assistant device managers (ASMs) and are responsible for sales and customer relations for only their team of technicians. ASMs are paid on their team's productivity and usually have limited policy adjustment authority.
3. A *working shop foreman* is responsible for the management and production of his own team of technicians. He is called a team leader and co-manages the team in conjunction with the ASM.
4. *Specialized or general technicians* operate in closely supervised groups within their own defined area. They are responsible for production contribution to the team's collective efforts.
5. *Two bays for every three technicians* is the staffing requirement. At no time should the number of team bays equal or exceed the number of technicians on the team.
6. *Multi-level flat rate* is the pay plan used.
7. *High facility utilization* because of the sharing of work space and jobs.
8. *Technicians have a defined career path* because of the internal structure of the team.
9. *Gross profit* is easy to control because cost is an effective cost determined by the average pay per technician on the team.

### Team Shop

**2 bays per  
3 technicians**

1. Service manager
2. Service advisor
3. Working shop foreperson
4. Specialized or general technicians
5. Two bays for every three technicians
6. High facility utilization
7. Technicians have defined career path

# Analyze Cost of Labour

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 68,714	\$ 50,063	72.86%	67.93%
Customer Truck			0%	0%
Customer Other	\$ -	\$ -	0%	0%
Warranty	\$ 12,582	\$ 10,075	80.07%	12.44%
Warranty Other			0%	0%
Internal	\$ 19,853	\$ 14,338	72.22%	19.63%
NVI / Road Ready			0%	0%
Adj. Cost Of Labor			0%	0%
<b>Total</b>	<b>\$ 101,149</b>	<b>\$ 74,476</b>	<b>73.63%</b>	<b>100.00%</b>

# Changes in Expense Structure

Expense Category	Dollar Amount	% of Gross
Department Gross	\$ 74,476	
Variable Expense	\$ -	0.00%
Selling Expense	\$ -	0.00%
Personnel Expense	\$ 41,880	56.23%
Semi-Fixed Expense	\$ 4,136	5.55%
Fixed Expense	\$ 11,613	15.59%
Unallocated Expense	\$ -	0.00%
Dealer's Salary	\$ -	0.00%
Total Expenses	\$ 57,629	77.38%
Net Profit	\$ 16,847	22.62%

# Pay Plan

## Service Manager

CARLING MOTORS CO. LIMITED  
 BONUS CALCULATION FOR OCT/16  
 BLAIR RAYMONDO MAZDA

BONUS AMOUNT

PART 1 GROSS PROFIT COMPONENT  
 Bonus will be paid on gross profit from CP labour  
 1.00% if monthly CP gross profit target is met or exceeded  
 0.80% if monthly CP gross profit is 90%+ of target  
 0.60% if monthly CP gross profit is 80% - 89% of target  
 0.50% if monthly CP gross profit is up to 79.9% of target  
 This month percent of target = 88.9

Target	\$60,470.00	last yr actual
Actual	\$53,742.00	
Gross Profit for Bonus Calculation	\$53,742.00	\$ 322.45

PART 2 5% Of increase over previous year month.  
 This Yr \$53,742.00  
 Last Yr \$60,470.00  
 (\$6,728.00)

PART 3 CSI COMPONENT

If Ranked #1 - \$1000.00	in District	2ND	0
If Ranked #1 - \$700.00	in Ottawa 3 months rolling	1ST	700.00
If Ranked #2 - \$250.00	in Ottawa 3 months rolling		0
			\$ 700.00

PART 4 \$580.00 MAZDA ONLINE TRAINING COMPLETED (PER QUARTER)

PART 5 POLICY/GOODWILL COMPONENT  
 0.50% if policy/goodwill/warranty adjustment is less than

Actual \$	\$700.00	
	\$2.23	\$ 161.23

PART 6 SPIFF

BONUS PAYABLE FOR OCT/16 \$ 1,163.68

*[Signature]* GROSS LESS OTHER SERVICE POLICY ADJUSTMENT SHOP SUPPLIES CAR REPAIR

## Technicians

CARLING MOTORS CO. LIMITED  
 MAZDA TECHNICIANS  
 2013 PAY PLAN RECOMMENDATION

### TECHNICIANS

Chris Dill Mazda Master Technician  
 Blair Raymondo Mazda Master Technician  
 Tim Miller Mazda Master Technician  
 Jason Levan 1st 2nd 3rd 250

Current Hourly Rate \$ 26.00 per hr

### 2013 Pay Plan Recommendations

Hourly Rate \$ 26.50 per hr

### Productivity Bonuses

81	to	85	\$ 0.50 per hr
86	to	90	\$ 0.25 per hr
91	to	95	\$ 0.25 per hr
96	to	100	\$ 0.25 per hr
101	PLUS		\$ 0.50 per hr
			\$ 1.75 per hr

### Fix It Right the First Time Bonus

92.5%	94.9%	\$ 150.00
95.0%	97.4%	\$ 300.00
97.5%	99.9%	\$ 500.00

3 MONTHLY ALLOCATE MONTHLY

### Advisor CSI

1st OTTAWA \$300.00  
 2nd OTTAWA \$100.00  
 1st IN DISTRICT \$200.00  
 3 MONTHLY PAID MONTHLY

6.00 PER FEH

6.00/HR 100% PROF

7.00/HR 115-120% PROF

# Performance

# Programs

Daily, monthly, quarterly and yearly objective set and reviewed regularly all of which is tracked. Every member of the teams has additional incentives in their pay plans. Like CSI, Productivity, fix right the first time.

Example:

CARLING MOTORS CO. LIMITED  
MAZDA TECHNICIANS  
2013 PAY PLAN RECOMMENDATION

TECHNICIANS

Chris Dill	Mazda Master Technician
Blair Raymondo	Mazda Master Technician
Tim Miller	Mazda Master Technician
<i>Squad Leader</i>	<i>MAZDA TECH 2150</i>
Current Hourly Rate	\$ 26.00 per hr

2013 Pay Plan Recommendations

Hourly Rate \$ 26.50 per hr

Productivity Bonuses

81	to	85	\$ 0.50 per hr
86	to	90	\$ 0.25 per hr
91	to	95	\$ 0.25 per hr
96	to	100	\$ 0.25 per hr
101	PLUS		\$ 0.50 per hr
			\$ 1.75 per hr

Fix It Right the First Time Bonus

92.5%	94.9%	\$ 150.00
95.0%	97.4%	\$ 300.00
97.5%	99.9%	\$ 500.00

*3 MONTHLY ACCRUAL*  
*MONTHLY*

Advisor CSI

1st OTTAWA	\$ 300.00	<i>3 MONTH ROLLER</i> <i>PAID MONTHLY</i>
2nd OTTAWA	\$ 100.00	
1st IN DISTRICT	\$ 200.00	

*6.00/HR*

*6.00/HR 100% Prof*

*17.00/HR 116-120% Prof*

# Level of Current Training

We have internal training on a regular basis and the manufacturer has on-line and off site training for all positions.

Employee Name	Job Description	Recommended Completion %	Required	Elective	Hire Date
AL GREER	Service Consultant	100 %	19/19	5/0	Nov 1985
AMY MALANDRA	BDC	84 %	16/19	1/0	Nov 2016
ANGELA PLUNKETT	BDC	84 %	16/19	1/0	Mar 2014
BLAIR RAYMONDO	Service Manager	100 %	20/20	0/0	Sep 2007
CHRIS DILL	Master Technician	100 %	16/16	1/0	Apr 2008
DANIEL GLASER	Technician	81 %	13/16	0/0	Aug 1994
HELENE CHASSE	Service Consultant	100 %	19/19	1/0	Aug 2005
JASMIN GOUR	Licensed Technician	100 %	16/16	4/0	Jan 2017
JASON LAUZON	Licensed Technician	100 %	16/16	1/0	Sep 2007
JIM TSIOKOS	Service Consultant	16 %	3/19	0/0	Oct 2017
NICHOLAS PETRACHUK	Technician	81 %	13/16	4/0	Nov 2013
VICTOR MEDINA	Licensed Technician	100 %	16/16	1/0	Mar 2015



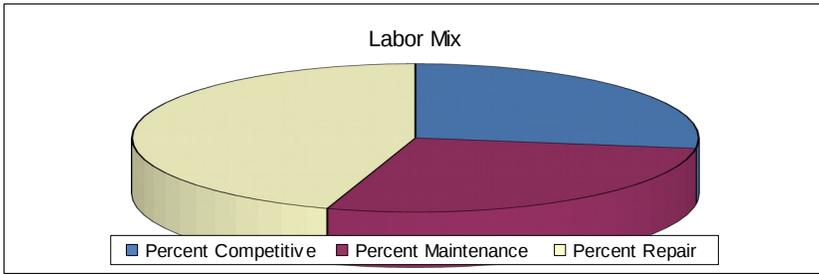
# Special Tools

Our Special tools are always neat and organized. We go through them every two months and do inventory. Example below

BAY #1	HOIST, BENCH, VICE, OIL PUMP	SEAL INSTALLERS	CX-7 TRANSFER CASE TOOLS	49 5120 710	49B0155A0	49 H026 102	49 G030 043 636 589 0207 49	FOURTH RIGHT DRAWER
BAY #2	HOIST, CABINET, VENT HOSE			OTC 205-126	INJECTOR SEAL INSTALLER SET (49 D013 1A0)	49 B019 004		
BAY #3	HOIST, OIL BENCH, CABINET, BENCH, VENT HOSE	49 N017 209	205-153	49 G030 726 X2	49 W026 001	HUB SEAL REPLACER (49UN-01-0400)	G030 728 49	104 PIN EEC-V BREAKOUT BOX (49UN-01-1300)
BAY #4	HOIST, BENCH, VICE, OIL PUMP, VENT HOSE	307-626	49UN-01-0280	49 E301 026A	49G0-40-002	49 G030 440 X2	FT01 361 49	49 M005 796
BAY #5	HOIST	307-664	49 T034 201A	49 6030 370		49 B012 002	B001 727 49	OTC 205-495
BAY #6	HOIST, TIRE MACHINE X 2, TIRE BALANCER	49 F401 336	49G030797	49 B026 102	SECOND LEFT DRAWER	49 G030 701	H012 001	49 G030 728
BAY #7	HOIST, BENCH, VENT HOSE	49-H025 001	49 5019 006	49UN-01-0260		49 B043 001		49 G019 009
BAY #8	HOIST, CABINET, OIL BENCH, OIL PUMP, VENT HOSE	49 G019 030	308-070	49 0862 350	ELECTRIC PENCIL ENGRAVER	49 5120 520		49 H012 008
BAY #9	HOIST, BENCH, VENT HOSE	OTC 8060	49 L019 301	ADAPTER PLATE (T95T-5310-AR3)	SMALL PILOT BEARING INSTALLER (49 1285 071)	49 FT01 439		
BAY #10	HOIST, BENCH X2, OIL PUMP, SMALL OIL BENCH, CABINET		49 B025 001	ADAPTER PLATE (T95T-5310-AR4)	LARGE PILOT BEARING INSTALLER	49 G030 222		FIFTH LEFT DRAWER
	1 ALIGNMENT RACK			49 L011 206	4235A/1	49 G030 627A		
	1 EMISSIONS TET MACHINE	TRIBUTE TORQUE SENSOR ALIGNMENT TOOL		49 F026 104	49 L011 204	49 G019 013		49 1243 465A
		49 F042 001		49 0305 43C	310-069	49 0027 007		49 G030 338
	INSIDE CABINETS IN SHOP	MT03 F1 001		MARQUETTE HEALIGHT ALIGNER (47-003)	310-075	49 F032 301		49 0813 145A X2
		49 H026 101A		AXLE HAMMER TOOL (49 0500 330)	49 G030 796	49 G019 031		49 0259 745
	MASTERCRAFT HEAT GUN	OTC 308-428		FESTO (MX_CX.2071596/668)	303-009	49 B019 009 X2		49 B019 008
	INNOVA DIGITALTIMING LIGHT	49 E027 008 X2		XTEND FUEL INJECTOR CLEANING SERVICE SET	49 G019 024	49 B032 304 X2		DIFF BEARING REPLACER (49UN-01-0310)
	GREASE GUN	49 E027 006 X2		TERMINAL REPAIR KIT (KLM-10-1A)	49L0-33-1030	49 B032 302		49 F401 335A
	9916H HATCH SHOCK HOLDER RATCHET STRAP KIT	49 E027 005		YELLOW HARD HAT, WHITE HARD HAT	49 B019 002	49 B019 007		49UN-01-0020
	FUELPIPE WRENCH (49N1-13-105) AND HEX WRENCH (49N1-17-107)	49UN-01-0230		49 F042 001	49 0603 635A	49UN-01-0050		49UN-01-0380
	FOWLER DIGITAL ROTOR MICROMETER	AXLE BEARING REMOVER (49UN-010320)		MASTERCRAFT 16" DEEPTOOL CHEST	49 0183 215A	49 B027 002		49 U034 203
	SIRIUS RADIO TOOL (1479-06-990)	C1 05 99 X2		CENTOR ADAPTER PLATES: (V205-400-21) AND (V201-400-04)	501-122			49 UB34 616
	SNAP-ON DENT PULLER KIT (CADP8850KIT)	MTO3-F1-002		PINION HEIGHT ADJUSTMENT GAUGE SET (49 F027 0A0)	49 FT01 377	THIRD RIGHT DRAWER		49 H013 001
	ULINE GLUE GUN (H-1903)			FUEL INJECTION INTAKE VALVE/COMBUSTION CHAMBER CLEANER KIT	4901-80-510A			49 0259 310
	PROFESSIONAL TOOLS DIGITAL DRUM GAUGE (3B530)	TOOL ROOM		COMPRESION TESTER / COOLANT PRESSURE TESTING KIT	49-G026-102	SNAP-ON MICROVAT (EECS304B1B)		49 U019 002
	SNAP-ON INDICATOR GAUGE (CNT3D103)			MAZDA OIL FILTER CUP KIT (AK595952)	49 H025 003	49 U012 005		49UN-01-0340
	MAC TOOLS INNER TIE-ROD TOOL (29910TRT)	WALL MOUNTED COIL SPRING COMPRESSOR		COOLING SYSTEM TESTER SET (AK3A3152)	49 N034 213	49 T019 005		49 U011 001
	WINOW TINT METER (HRRTM63)	WIRE/STONE WHEEL		RUBBER BUSH REPLACER SET (49 F028 2A0)	49 0813 310	49 B043 002		49UN-01-0140
	SPECIAL WIRE CRIMPER FOR RECALL 4507C (SPCT65030)	HYDRAULIC PRESS		POWER STEERING REPAIR SET (49 F032 3A0)	49 G026 102	49 N017 102 X2		49 UB39 585
	CRIMPER (49JP-03-001)	PARTS WASHER TUB		ALIGNMENT RACK FRONT SWIVLE PLATES X2	49 0187 520	49 N017 101 X2		OTC 303-098
	MAZ009933-EXT	TALL JACK STANDS X8		TORSION BAR TOOL (T959-5310-AR)		OTC 205-405		OUTPUT SHAFT BEARING REPLACER (49UN-01-0240)

# 100 Repair Order Analysis

Repair Order Analysis Summary Report								
		Sales in Dollars		FRH's on RO's		Averages	Analysis	
Competitive		\$ 2,319	÷	38.50	=	60.24	FRH Average	
Maintenance		\$ 3,791	÷	39.20	=	96.72	FRH Average	
Repair		\$ 7,243	÷	63.50	=	114.06	FRH Average	
Totals		\$ 13,353	÷	141.20	=	94.57	Customer ELR	
		Target Labor Rate				107.00	Per FRH	
Total Ro's in Sample	98	Difference				-12.43	Per FRH	
Cost of Labor								
Total Cost of Labor		3508.10	÷	Total Sales	=	26.27%	Percent Cost of Sales	
Total Cost of Labor		3508.10	÷	Total FRH's	=	24.84	Cost per FRH	
Repair Order Measurements								
Total Labor Sales		13,353.22	÷	Total RO's	=	136.26	Avg Labor per RO	
Total FRH's		141.20	÷	Total RO's	=	1.44	Avg FRH's per RO	
Menu Sales			÷	Total RO's	=		Percent Menu Sales	
Competitive FRH's		38.50	÷	Total FRH's	=	27.27%	Percent Competitive	
Maintenance FRH's		39.20	÷	Total FRH's	=	27.76%	Percent Maintenance	
Repair FRH'		63.50	÷	Total FRH's	=	44.97%	Percent Repair	
One item RO's		66	÷	Total RO's	=	67.35%	Percent One Item RO	
Model Year Analysis								
2018	2017	2016	2015	2014	2013	Older	Total	
0	3	15	12	9	9	50	98	
0.00%	3.06%	15.31%	12.24%	9.18%	9.18%	51.02%		



# SWOT

# ANALYSI

# S





## Strengths

- Strong service team focused on providing the best customer service. #1 in CSI in the region.
- Strong and loyal customer base. We have above average retention at 54.5%.
- Our technicians are all very knowledgeable, thorough and produce high quality work that is expected at the dealership level. The morale is high in the shop. Technicians even have a Facebook group for meeting for breakfast occasionally.
- Although not perfect our shuttle service is the best in the city. We drop off and pick up our customers over a large area. Being centrally located in the city of Ottawa we run 3-4 full time shuttles. At least 50-60% of our Service customers use our shuttle service.
- The Mazda product is a great product to service. Dealer support at the service level is great. The brand also attracts a great demographic of customers who are generally easy going and easy to build rapport with.
- The management team, support their staff in a positive manner. Always looking to improve on an already great department. From upper to middle management they always give credit where credit is due.



## **Weaknesses**

- We do not market our Service Department enough. Although recently more of an effort has been made, we can do better.
- Our hours are not convenient for all of our customers. We have increased our hours seasonally but available hours are still low when compared to Independents.
- Our lack of available parking for customers can be frustrating.
- We do provide a complimentary car wash of any kind for our service customers.
- The last shuttle pick up time of the day is 4pm which is not always convenient for our customers.
- There are not enough one on one/coaching sessions between management and staff.
- We do not have a competitive pricing survey completed.  
Where do we stand?



## Opportunities

- Mobile Apps and Text services to better communicate with customers. For appointment booking a follow-up, as well as being able to easily update on status of their vehicle during the service process.
- Perform a competitive pricing survey and post it on the website and in the dealership and in the shuttles.
- Focus some more time, effort and potentially funds to marketing to promote our strengths such as CSI and excellent Google reviews.
- We have started to extend service hours. A complete evaluation of the results of this could be performed. Extending courtesy shuttle into these extended hours could be looked at.
- We could create some more time for the advisors to be able to review potential upsells. We have created a new position which will impact this. This position keeps evolving to include additional small tasks which to this point are freeing up advisors time. We need to monitor results to see if it is helping with this.
- High mileage club of sorts to maintain retention beyond warranty period.



## Threats

- There is a new Mazda dealer in the city. This could turn from a threat into an opportunity if we market right and try to jump in the additional market share.
- The independents have got us beat when it comes to available hours. Some customers may also think independents have us beat for value as well.
- Our shuttle service although good compared to other dealers is still restricted. The number of shuttle requests are greater than the number of seats available during peak times of the year.
- Our facility is rather old and dated compared to most others in the city.
- Constant threat at dealers is losing customers after the warranty period has expired.



## Objectives

- Improve customer pay gross sales
- Find new customer pay sales to keep technicians busy in the slow times. Work load is very seasonal based on winter weather. We have 4-6 very busy months and 6-8 very slow months resulting in overstaff situation during the slow times.
- Track denied work that could be sold during slower times.
- Review expenses so as gross labor sales increase our GP% stays within recommended 70-72%



## Strategies

- Devise a marketing plan to attract new customers and maintain existing customers outside of warranty.
- Create competitive pricing report. Post it alongside our CSI scores and google reviews. Or include CSI and Google in one competitive pricing report.
- Maximize opportunity during the busy time. An express type service would be the first offered by Mazda dealers in the City.
- Additional work could be brought in from servicing all makes and models. This would be a part of the marketing plan.
- Lost sales due to no parts need to be tracked as those sales turn into denied work that may not be recovered. We need to track lost sales due to parts and how we can keep those sales.
- It is harder to stay at the top in CSI and Google than it is to get there. Regular meetings and reviews with staff to maintain focus and setting goals.



## Tactics

- Get some marketing in at local businesses to try attracting additional makes and models to service. Specifically during the busy tire swap over seasons when every car requires servicing.
- BDC can prepare a competitive pricing report after making some calls to shop pricing. We can present this to marketing to go to print.
- Staff up for the busy seasons, to be able to implement an express lubes type service to avoid missed opportunities. Keep customers from going to the independents which can accommodate them on shorter notice.
- Have weekly meetings of the parts manager and service manager to review lost sales due to parts.
- Have monthly meetings for Service Manager and General Manager to set goals and targets for the service department and review the Objectives, Strategies and Tactics in this report.
- Bonus BDC for retrieving lost sales from the denied work report.



# Action Plan

<u>Task</u>	<u>By Whom</u>	<u>Est. Completion</u>
Create a marketing plan to attract new customers (include all makes strategy) Monthly, quarterly	Service Manager/Marketing dept.	
Create competitive pricing report	BDC	Quarterly
Weekly parts and service meeting Weekly	Parts/Service Manager	
Monthly Service manager meeting	General Manager	Monthly
Monthly Parts manager meeting	General Manager	Monthly
Create a BDC bonus plan 2017	GM/Service Manager	Dec. 1 <sup>st</sup> ,
Review processes to create the opportunity 1 <sup>st</sup> , 2018 in the shop to perform an express type service.	GM/Service Manager	Jan.



## Synopsis

The fact that we have fallen into the “we are doing well let’s not make changes” has prevented us from increasing our fixed absorption to 100% or more.

The addition of structures, additional meetings, processes, hours, new targeted marketing strategies along with readjusting the BDC bonus structure will allow us to reach our goal.

Tracking and informing our staff of where we stand and where we want to be will give them a sense of ownership and pride.

We will look at express type service and car washes in the coming year.

One step at a time and getting everyone on board will benefit our customers, staff and the future strength of the dealership.

We are all looking forward to the benefits of structure and the future.