

## Service Department Analysis for One Toyota of Oakland by Josh Corren N380

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>-High retention and customer loyalty (among the highest in the Region).</li> <li>-Low turnover (4%turnover YTD in Service).</li> <li>-Oakland has high population growth, income growth.</li> <li>-We're better than the competition, better service, better reputation.</li> <li>-Management is growth-oriented.</li> <li>-Strong leadership out of Service Director, Manager, and Foreman.</li> <li>-#3 in the Region in CP Labor Sales.</li> <li>-#3 in the Region in CPRO Count (out of 57 dealerships).</li> </ul>	<ul style="list-style-type: none"> <li>-Increased traffic and improved \$/RO has had a slightly negative impact on CSI.</li> <li>-Parts on backorder has impacted customer experience.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>-Increase shop capacity/utilization (we need 4-5 additional main techs and 3-5 Express techs.</li> <li>-Improved Parts Display.</li> <li>-Oakland is a growing, gentrifying market.</li> </ul>	<ul style="list-style-type: none"> <li>-Losing techs to competitors.</li> <li>-Tech wages. In January, minimum wage goes to \$15/hour. Techs with their own tools are required to be paid double minimum wage, \$30/hour. As low level techs require extremely high wages, it puts upward pressure on the wages of all techs.</li> <li>-Vehicles are having longer service intervals.</li> <li>-Independent shops.</li> <li>-Less warranty work.</li> <li>-Current, low new car inventory could have an effect</li> </ul>

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## Objectives

- Increase Service/Parts gross (focus on CP \$/RO).
- Increase RO count.
- Focus on/have high awareness of tech proficiency (constant communication with ASM's/Techs).

## Strategies

- Current spend with Zonic is helping drive traffic. As well as regular "Toyota AMP" emails.
- Regular training. About 6 weeks ago, brought in professional ASM trainers (ProTalk). Have already seen significant improvement in \$/RO and Hours/RO. Follow up visit is actually this week. We plan on maintaining this training indefinitely.
- Constantly evaluate the team, always be upgrading.
- Daily Service meetings, constant coaching, training, mentoring.
- Constantly communicate the common goal. Make sure everyone knows the dealerships objectives, as well as personal objectives (what is each ASM's personal objective).

## Tactics

- Regular Service meetings, communicate goals, where we're at, and what we still need to accomplish.
- Daily training, coaching, mentoring.
- Bringing BDC inhouse (was formally handled out of our sister store in AZ).

## Synopsis

Our biggest opportunity for growth will be the result of recruiting, hiring, onboarding, and training 4-5 more main techs and 3-5 express techs. With 50 bays in our shop (and only 40 technicians at the moment), we have a plenty of opportunity to increase shop utilization. Our dealership has a great reputation for taking care of customers and employees alike, and our high retention and low turnover is a direct reflection of that. We're also very busy and have become one of the top ranked RO count dealerships in the Region. Just last week, we met with the Director of College of Alameda (about 5 miles from our store); they are restarting their tech training courses. We gave her a tour of our dealership, explained how we do business, and told her that we would like to partner with the college and provide whatever we can to assist the program (internships, vehicles to work on, etc.). The relationship looks very promising and should create a more consistent flow of up and coming technicians to support our growth.

Repair Order Analysis Summary Report							
		Sales in Dollars		FRH's on RO's		Averages	Analysis
Competitive		\$ 3,443	÷	33.10	=	104.02	FRH Average
Maintenance		\$ 22,244	÷	149.80	=	148.49	FRH Average
Repair		\$ 8,898	÷	47.60	=	186.93	FRH Average
Totals		\$ 34,585	÷	230.50	=	150.04	Customer ELR
				Target Labor Rate		190.00	Per FRH
Total RO's in Sample	100			Difference		-39.96	Per FRH
<b>Cost of Labor</b>							

Total Cost of Labor	7138.41	÷	Total Sales	=	20.64%	Percent Cost of Sales
Total Cost of Labor	7138.41	÷	Total FRHs	=	30.97	Cost per FRH

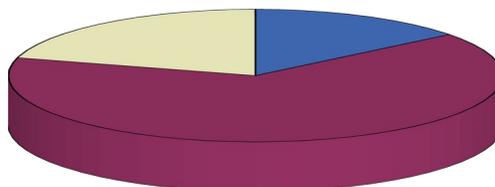
### Repair Order Measurements

Total Labor Sales	34,584.62	÷	Total ROs	=	345.85	Avg Labor per RO
Total FRHs	230.50	÷	Total ROs	=	2.31	Avg FRH's per RO
Menu Sales		÷	Total ROs	=		Percent Menu Sales
Competitive FRHs	33.10	÷	Total FRHs	=	14.36%	Percent Competitive
Maintenance FRHs	149.80	÷	Total FRHs	=	64.99%	Percent Maintenance
Repair FRH	47.60	÷	Total FRHs	=	20.65%	Percent Repair
One item ROs	43	÷	Total ROs	=	43.00%	Percent One Item RO

### Model Year Analysis

2022	2021	2020	2019	2018	2017	Older	Total
0	4	11	11	12	10	52	100
0.00%	4.00%	11.00%	11.00%	12.00%	10.00%	52.00%	

### Labor Mix



■ Percent Competitive ■ Percent Maintenance □ Percent Repair