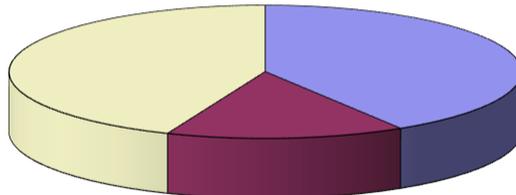


Labor Mix



■ Percent Competitive
 ■ Percent Maintenance
 ■ Percent Repair

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 4,379	÷ 59.40	= 73.72	FRH Average
Maintenance	\$ 2,467	÷ 21.70	= 113.69	FRH Average
Repair	\$ 8,536	÷ 63.20	= 135.06	FRH Average
Totals	\$ 15,382	÷ 144.30	= 106.60	Customer ELR
		Target Labor Rate	87.22	Per FRH
Total Ro's in Sample	100	Difference	19.38	Per FRH

Cost of Labor

Total Cost of Labor	3511.35	÷ Total Sales	= 22.83%	Percent Cost of Sales
Total Cost of Labor	3511.35	÷ Total FRHs	= 24.33	Cost per FRH

Repair Order Measurements

Total Labor Sales	15,382.03	÷ Total ROs	= 153.82	Avg Labor per RO
Total FRHs	144.30	÷ Total ROs	= 1.44	Avg FRH's per RO
Menu Sales		÷ Total ROs	=	Percent Menu Sales
Competitive FRHs	59.40	÷ Total FRHs	= 41.16%	Percent Competitive
Maintenance FRHs	21.70	÷ Total FRHs	= 15.04%	Percent Maintenance
Repair FRH	63.20	÷ Total FRHs	= 43.80%	Percent Repair
One item ROs	35	÷ Total ROs	= 35.00%	Percent One Item RO

Model Year Analysis

2022	2021	2020	2019	2018	2017	Older	Total
0	1	16	15	14	9	45	100
0.00%	1.00%	16.00%	15.00%	14.00%	9.00%	45.00%	

NADA Final Homework Project

Class: Fixed Operations 2 Service

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The notes made and compiled in the received SWOT Analysis from the members of the Service and Parts Departments illuminated some key areas believed to be the source of potential shop gains. Staff agree that we have the right tools and the right people to get the job(s) done but our image is one that conveys to the public at large that we are more costly than our competitors.

One of our priorities needs to be on changing public perception through working with our advertising/promotional team to invite new customers in while also enticing former/lost customers back. We need to put the friendly face of Ford on the map and emphasize what we can do with our factory trained, licensed technicians along with certified parts that come with warranties from the manufacturer.

The weaknesses of our shop were highlighted as being our overall shop size: limitations of work able to be performed based on the dimensions of the shop and the capacity of the hoists as well as the ability to get customers in quickly for repairs due to the shop constraints and tech availability. Threats were primarily addressed as the independent shops offering a perceived lower rate to complete work along with the availability of parts at the ready from our own department.

Using these items as a baseline for a goal, we want to work on generating more repair work orders. Our repair work orders have great potential to increase our overall flat rate hours as well as the sales dollars reflected in the shop, benefitting both the parts and service departments.

Working directly with our marketing team, we will strategize to come up with a plan for advertising our genuine Ford products and factory certified technicians - emphasizing the value of what we have to offer and how it directly benefits the customer. To tag onto this campaign we will entice people to "experience the difference" of our staff, our service, and our commitment to customer satisfaction. Anyone coming in referring to this promotion will be rewarded with a complimentary vehicle wash after completion of their service along with a 15% "We pay the tax" event included in the offer. (This will introduce many customers to our auto spa services as well and provide a natural tie-in).

By regaining former customers, along with welcoming in new customers, we can work to move the needle on our repair order dollars. Using our 100 RO study we have an average of 106.60 Customer Pay Effective Labour Rate. The Repair portion, however, was 135.06. By getting more customers in and working on their vehicles in a timely manner, we can work to move the repair portion to a higher level, thus raising the total Effective Labour Rate for the shop.

By utilizing the marketing campaign and ensuring our current customers, as well as any new/returning customers, are completely satisfied with their service experience we will see a natural increase in our numbers with a six month goal being to go from 106.60 for the average customer pay effective labour rate to 120. At that point, using monthly targets and baselines for comparison and strategy with the service and parts department teams, we will go at the numbers again to grow from 120 to 140, using a six month window to continue pushing the needle by \$20 each time.

In conclusion, the service and parts department, working with marketing and each other, will see the benefits of a unified Fixed campaign and our customers will see it with the quality, consistency, and the follow up of authentic Ford service performed on their vehicle.