



Service Department Analysis

SEPTEMBER 7

Caldwell Toyota
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Qualitative Analysis

Strengths

1. Loyal customer base – Large consistent customer flow through the service drive. Service employees are constantly busy with the opportunity to produce more hours and stay focused on the routine everyday workload.
2. Great team environment – Strong team bonds, everybody is very helpful and encouraging.
3. Quality facility – Well designed facility with a great shop with all quality products.
4. The best schedule in the business – Hours of operation are from 7am-6pm Monday through Saturday and closed on Sunday. All service employees work the same team scheduled hours which allows for 2 teams to always be present for coverage. Four 10hr days and a 5 day break every month is a huge motivator and a reflection to longer employee retention.
5. Service Manager – Service manager with 30+ years of experience, 20 years at this dealership. Great knowledge of the product, process, training and customer satisfaction.
6. Customer Experience – Customer first commitment that is applied throughout the entire parts and service department.



Qualitative Analysis

Weaknesses

1. Parts department – Parts has low stocking levels and unclear parts numbers in the system. For SOP's parts scheduling is overloaded at peak times causing delays.
2. Communication – Lack of or poor communication throughout the process between departments. Not keeping the customer up to date with their vehicle after the drop off time.
3. Employee morale – With the rise in employee hourly wages, not keeping up with the market for express lubes and skilled technicians.
4. Breaks – Too many team members taking unnecessary breaks throughout their shift, especially during busy times.
5. Staffing – Not fully staffed requiring some teams to have excessive workloads to achieve their team goals. Express lube is unable to keep up with the current workload.
6. CSI – Low customer satisfaction ratings.
7. Time in service – Routine service intervals are taking above average times to complete causing customer concerns.
8. Competitive pricing – no competitive pricing proof available for the customer.



Qualitative Analysis

Opportunities

1. Growing area – Market area is growing creating more job opportunities.
2. Competitive pricing – Perform a pricing summary survey with other local new vehicle

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- franchises and price competitive maintenance in line.
3. Parts Department – Enhance our phase-in from 3 in 8 to 3 in 9 to increase FTFR and reduce emergency orders.
 4. Process – Build value in the process and have daily training.
 5. Facility Utilization – Build complete teams that alternate and have access to all service bays.
 6. Covid19 – Get back to pre-covid performance volume and standards
 7. BDC – Hire and train a business development specialist to schedule and confirm appointments and stay in contact with the customer.
 8. Communication – Written process that is step by step and over communicated to every customer.



Qualitative Analysis

Threats

1. Staffing – Inability to attract new hires (Technicians, Advisors, BDC and Receptionist)
2. Parts and accessories – Supply chain problems, not being able to get the needed parts in a reasonable amount of time.
3. Salaries and wages – Expected hourly rates have increased drastically in the last year.
4. Competitive pricing – Increases in competitively priced maintenances and door rate increases resulting in customer aggravation and losing loyal customers.
5. Loaner vehicles – Too many appointments and not enough employees resulting in slower routine services and customers expecting a loaner vehicle while they wait. Lack of new inventory resulting in the ability to maintain enough loaner vehicles in stock.
6. Appointments – Not having enough available appointment times to keep up with demand.

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7. Customer experience – Not being properly staffed, customers wait times are increasing and technicians don't have enough time to perform a proper MPI on every vehicle.



Objectives / Strategies / Tactics

Objectives

1. Hire enough technicians to cover the 3 teams.
2. Develop a structured and highly trained BDC.
3. Increase customer pay rates to offset the rise in parts and labor costs.
4. Increase proficiency for B, C and D Technicians.
5. Accurately track parts FTR and mark/track lost sales.
6. Increase hours sold per RO.
7. Mandatory video MPI on all customers vehicles.
8. Lower the front-line ready time for internal used vehicles.



Objectives / Strategies / Tactics

Strategies

1. Increase the team allotted hourly pay to motivate and maintain the technicians we currently have and to hire the quality members that we are currently needing.
2. Turn on Indeed to search for the best qualified BDC agent for appointment scheduling.
3. Increase number of hours from B, C, and D Technicians.
4. Have a written process for advisors and train every day.
5. Discuss lost sales tracking with parts manager and implement.
6. Hire the number of techs and express techs to fill all 3 teams.
7. Build a team competition board and update every day.
8. Implement a video MPI on every RO.
9. Present a menu with every customer.
10. Post a competitive pricing board in the cashiers office.



Objectives / Strategies / Tactics

Tactics

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1. Have a weekly meeting with GM and service manager to discuss service team, BDC, CSI process, training, and service process.
 2. Conduct a weekly meeting with GM, service manager, and new vehicle manager to discuss open CSI negative reviews to make sure they are handled quickly and properly.
 3. Offer an additional \$5 per hour to any tech that will work on internal vehicles on any day they are not on the schedule.
 4. Create an incentive for each team foreman to push their team members to increase their proficiency.
 5. Consider a bonus plan to incentivize the top performing team of the month.
 6. Increase the amount of hourly pay for each express team.
 7. Full time BDC agent handles all incoming service calls, proactive calls, RO reviews, and service connect alerts.



Objectives / Strategies / Tactics

Action Plan

<u>Task</u>	<u>By Whom</u>	<u>Completion Date</u>
Track each team's proficiency	Service Manager	Daily
Build 3 five-member tech teams	Service Manager	Sep 30, 2021
Create a rotating express team	Service Manager	Sep 30, 2021
Hire and train a full time BDC agent	Service Manager	Sep 15, 2021
Print and discuss all service alerts	Service Manager	Sep 15, 2021
Create a training rotation for advisors	GSM	Sep 30, 2021
Implement video MPI's	Service Manager/GSM	Sep 30, 2021
Increase hourly pay for express teams	Service Manager	Today
Weekly service meeting	Service Manager/GSM/GM	Wed 11am
Weekly CSI meeting	Service/New/GSM/GM	Mon 11am
Create team proficiency leader board	Service Manager	Sep 30, 2021
Track advisor menu offers	Service Manager	Sep 30, 2021
Track daily fill rate and lost sales	Parts Manager	Sep 30, 2021
Post competitive pricing in cashier office	Service Manager	Sep 30, 2021



Synopsis

It is evident that being improperly staffed is having the biggest effect on our ability to maximize proficiency and utilization. In addition, not having well defined written out processes and training for customer contact employees is creating a communication breakdown which is leading to expectation disappointments and low CSI scores.

The design of three teams each with five members and an advisor will lead to better shop utilization and increase proficiency for lower tiered technicians. This will increase gross profits and allow more time for a thorough video MPI and allow a team leader to touch every vehicle to lower the number of comebacks.

The addition of a BDC agent will free up time for advisors and cashier by answering all the incoming service calls and scheduling appointments in the CRM. They will also make proactive calls for SOP's and over six-month database calls to avoid ordered parts from sitting on the shelf and help drive additional appointments for recalls.

Training is going to be a big part of our increase in success. Daily training for any customer contact employee will make sure our phone skills and personal contact skills are in line with our customer first culture.

Looking forward to a great team environment helping each other grow and develop for years to come!