

# Service Department Analysis

For **Ganley Lincoln**

By

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**Class: 29**

# Qualitative Analysis

## Strengths:

1. High quality staffing, employees.
2. Many years of Experience of employees.
3. High Quality facilities.
4. Good Location, in a busy easily accessible, high trafficked area.
5. Employees who go the extra mile for customers.
6. Warranty Revenue.
7. Strong Management/ Leadership
8. Stability. This dealership has been run by the same family since 1948.

## Weaknesses:

1. CP work due to amount of leasing customers. We have a high number of leasing customers who normally do not need heavy repair work.
2. Customer comebacks (repeat repairs). Need to do a better job of doing the job right the first time.
3. Being a Union shop, we have to pay towards their pensions and healthcare coverage.
4. Parts backorders delays, and properly ordering parts in a timely manor.
5. Shop size (limited capacity).
6. Parts Availability.

## Opportunities:

1. EV training for employees. Incentivizing EV mastership for younger technicians.
2. Bonus plans. (To increase shop hustle).
3. Fleet Business
4. Competitive make business
5. More opportunity to upsell jobs

## Threats:

1. Becoming stagnant.
2. Warranty time cuts.
3. Staffing levels
4. Older techs retiring
5. EVs (where the business will evolve to)

## Objectives / Strategies / & Tactics

### Objectives:

1. Improve Technician productivity and proficiency
2. Improve advisor training in order to upsell parts
3. Increase total department Gross profits and Net profits
4. Implement electronic MPI program, and utilize it correctly.

### Strategies:

1. Use our Electronic MPI system through the Smartt program we are already paying for through CDK.
2. Ask our top salesperson to work individually with our youngest advisor to help him improve his upselling skills.
3. Prioritize scheduling appointments for SO customers in a timely fashion. Put the cashier on the SO scheduling job to take more off of the plates of the advisors
4. Train our employees in electronic MPI skills, which will avoid time wasting and will keep them working in their bays.

**Tactics:**

1. Inquire about adding bonus programs for technicians, to increase shop hustle.
2. Give away free car washes to increase shop traffic.
3. Ask techs to take off a week day so that they can work a full day on Saturday, so we can do more maintenance and repair work.
4. Review advisor discount reports weekly, to ensure advisors are not discounting work they are not supposed to.

**Action Plan:**

<i><b>Task</b></i>	<i><b>by Whom</b></i>
Train Technicians on electronic MPI operations.	Service Manager
Email Ganley management about adding tech Bonus programs.	GM/ Service manager
Install dual monitors for John and Austin, to help With the electronic MPI process	Office manager
Review advisor discount reports every Friday	Me
Giving mints to every customer once their car Is finished and washed.	Service manager
Creating MPI videos that customers can look at, To reinforce trust and recommendations.	Technician
Switch around tech personnel, and extend hours Of operation on Saturday.	GM/ Service manager

**Synopsis**

Our service department has been losing money for our dealership for many years now. We are immediately at a disadvantage from other shops because of our union

status. We are required to pay \$2.00 extra for every technician hour worked, and add it to their pension. Also we have to give them individual or family healthcare coverage depending on what their status is. Our service manager was given a difficult task in rebuilding the department that the previous service manager undermined, and cost us a portion of our loyal customer base. He has the department trending in the right direction, and by each month we are getting closer to being more profitable.

With a few slight changes in operation and cleaning up some things, I feel that we are very close to getting this service ship on course.

My first priority has been fixing our outdated special order process. This process has been changed and updated, where now it is seen as an area of strength in our business. We have also been strict on eliminating time wasting for the techs, including smoking, wasting time at the parts counter, showing up late for work, and taking extra-long lunches.

Keeping the techs in their bays, and turning wrench is a top priority of mine. I am committed to boosting the productivity of the technicians. In order to do this I went to our GM with a plan to better utilize our SMARTT program capabilities. He approved this plan, and we are in the process of implementing it right now. With this system techs can order their parts directly from their computer instead of waiting in line at the parts window and advisors desk. At our store the shop flow bottle necks at the parts window. This system will unblock the counter and allow the techs to stay in their bays. I am hopeful that our managers will follow through with this program, and see how it improves productivity, and ultimately gross profits.

I have even asked our top car salesman to work with our new advisor to help improve his upselling skills.

If we keep grinding and working together as a team, I'm confident that we will get the service department to turn a profit every month going forward.