

Qualitative Analysis:

Strengths -

- 1) We have an outstanding team. I started January of 2019 and was tasked with changing the culture from a used car store to a retail driven service department. Unfortunately, we had high turnover my first two years as I replaced employees with quality issues, attitudes, lower abilities and lack of drive. However, the result has been a more cohesive team, excellent attitudes, buy in from the employees; even our intro-level employees are driven and have career goals.
- 2) Our company has an outstanding reputation across the entire state. The owners built the dealership from a small used car lot into a multi-brand, multi-location company. We have been the highest rated dealer in Montana for the last 2 years.
- 3) We have master certified mechanics in both our brands (Nissan and GM), as well as a master Ford and Chrysler technicians. In addition, we have a technician that specializes in European vehicles, so we have a lot of flexibility.
- 4) Dealer Logix: We invested in Dealer Logix, which is a tablet-based system, used as a selling tool in conjunction with our DMS. We're the only dealer in town using a tablet-based system, which improves our professionalism. The text/email feature has increased our sales and CSI.

Weaknesses -

- 1) Lack of parts inventory. We have outgrown our parts department and have very little space, which results in more SOP parts and potential lost sales.
- 2) Service Hours 7:30-5:30 Monday through Friday, 8-4 on Saturday. We need to extend our Service hours, both during the week and on the weekend.
- 3) Need more space/bays. We are almost at max capacity and need to extend hours or create a second shift.
- 4) Overscheduling. We max our schedule every day and do not account for drop offs/ emergency situations. We are currently booked out 3 weeks and when we max the schedule, drop offs/emergency situations get pushed out.

Opportunity -

- 1) We need to take advantage our company's online reputation and advertise in the areas where we are strong (social media).
- 2) Maximize our Service drive accessory walls. We built the slat wall in 2019 and it was a major success leading to a ton of accessory sales, which is something that the dealer never experienced. However, over the last year, Parts has sold items off the wall and not replaced them. While the wall still looks good, the lack of accessories has led to reduced sales.
- 3) Maximize Dealer Logix menu and maintenance sales. While Dealer Logix has increased our hours per RO and overall sales, we have not begun to hit on all cylinders in our competitive and maintenance sales. Dealer Logix has been an outstanding tool, but we need to utilize it accordingly.
- 4) Promote from within. Service and Parts have almost doubled their sales over the last 3 years. Fixed Ops has doubled in staffing, and we still only have a Service and Parts manager. We have talented, hungry individuals that need to further their career as well. We could benefit by giving these individuals more responsibility.

Objectives -

- 1) Improve menu and maintenance sales
- 2) increase gross and net profit.
- 3) Change pay plans to drive sales goals.
- 4) Hire another GM tech to reduce back log of work
- 5) Increase overall labor gross

Strategies -

- 1) Utilize techs appropriately. A techs on heavy diag and repair work, C/D tech on maintenance and competitive labor to maximize labor gross.
- 2) Change tech pay plans to a labor dollar percentage such as 20% of labor sales pay plan.
- 3) Advisors on performance-based pay plan instead of team based. Pay plan bonuses based on maintenance/menu sales.
- 4) Advertise technician jobs in west coast cities to take advantage of Montana's overall growth and the mass exodus from the left coast.
- 5) Entire Department meeting to discuss where the business is heading and explain all the upcoming changes and why, so everyone is on the same page.
- 6) Training, Training, Training. Continued improvement through job appropriate training.

Tactics -

- 1) Utilize our online advertising to drive maintenance sales. We just need to put it out there.
- 2) Split our teams into different shifts to increase shop availability to all current/potential customers.
- 3) Advisors to hold daily team meetings with their respective teams to review goals, status, and current challenges.
- 4) Weekly advisor/management meeting to review current run rate and sales objectives.
- 5) Weekly parts manager and service manager meeting to review fast moving parts and lost sales opportunities.
- 6) Utilize our internet and sales staff in advisor training sessions.
- 7) Promote 1 advisor to ASM. Create buy in/ownership to help assist in driving sales.
- 8) Advisor meeting to show and improve service drive walk arounds and menu sales.