

# Service department analysis for Long-Lewis of Selma

## Qualitative Analysis – Strengths

1. Our service department has loyal customers, customers that have been coming here for years.
2. We have a new young (previous advisor) that is eager to learn and improve the service department together as a team.
3. We have 2 Sr. Master Certified techs that are very good and try to keep the other guys in the shop motivated and on track.
4. We are currently in the process of making some moves in parts, promoting a new parts manager that should help the parts department. In turn this should help elevate the moral in service.

## Qualitative Analysis – Weakness

1. Lost service manager that was here 22 years. The new service manager is eager to learn but this will take time. Currently working on teaching him how to motivate and hold the Techs accountable
2. Only have 3 techs that can do big jobs, we have several big jobs that need to be done. We just can't seem to get caught up.
3. 2 new techs that are very green and need to learn, experienced techs are too busy trying to get caught up to help the new guys learn.
4. Tech proficiency is only 77%
5. Service hours do not mirror sales. Service closes every day from noon-1pm and they are closed on Saturdays.
6. We do absolutely no advertising or promoting for the Service department.

## Qualitative Analysis – Opportunities

1. Small town, we need to target the hospitals and big business locally to promote picking up and dropping off their vehicles while they are at work.

2. Advertising, we need to advertise locally to increase our customer flow in Service
3. Not many shops near us for competition
4. Get more involved in the community, have service manager stop in local businesses with donuts to say hi and introduce himself.

### Qualitative Analysis – threats

1. Longer distances between maintenance needs
2. Little competition we do have are open on Saturdays
3. Its said, there is a large group of people that are anti Long-Lewis since we have bought the store
4. A lot of policies that are set by the Auto Group that don't fit our little operation in Selma AL.

## Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 2,752	50.80	54.18	FRH Average
Maintenance	\$ 1,514	19.90	76.08	FRH Average
Repair	\$ 1,654	13.10	126.26	FRH Average
Totals	\$ 5,920	83.80	70.65	Customer ELR
Target Labor Rate			126.69	Per FRH
Total Ro's in Sample	100	Difference	-56.04	Per FRH

### Cost of Labor

Total Cost of Labor	1960.80	Total Sales	33.12%	Percent Cost of Sales
Total Cost of Labor	1960.80	Total FRHs	23.40	Cost per FRH

### Repair Order Measurements

Total Labor Sales	5,920.48	Total ROs	59.20	Avg Labor per RO
Total FRHs	83.80	Total ROs	0.84	Avg FRH's per RO
Menu Sales		Total ROs		Percent Menu Sales
Competitive FRHs	50.80	Total FRHs	60.62%	Percent Competitive
Maintenance FRHs	19.90	Total FRHs	23.75%	Percent Maintenance
Repair FRH	13.10	Total FRHs	15.63%	Percent Repair
One item ROs	28	Total ROs	28.00%	Percent One Item RO

### Model Year Analysis

2022	2021	2020	2019	2018	2017	Older	Total
1	11	9	9	11	7	51	99
1.01%	11.11%	9.09%	9.09%	11.11%	7.07%	51.52%	

### Labor Mix



Percent Competitive
  Percent Maintenance
  Percent Repair

## Objectives

1. Improve hours per RO
2. Get MPI's on all vehicles 100% of the time
3. Increase gross on parts and labor sales
4. Improve tech proficiency
5. Manage our mix of work better

## Strategies

1. Go to matrix pricing on all service work
2. Increase door rate
3. Get the new techs trained so they can do more the just maintenance work
4. Schedule big jobs better so we are not always so backed up
5. Get the Master techs spending more time with the new techs, get the new techs helping the master techs with easier work
6. Have service department meetings 3 times a week, first thing in the morning to get everyone motivated and focused on production for the day.

## Tactics

1. No discounts, unless authorized by myself or service manager
2. Go to matrix pricing on all work
3. Switch tech hours to 4 10's
4. Open on Saturdays
5. Have weekly meetings with service manager to view progress for the month and get a game plan in place when pacing below forecasts

## SERVICE OPERATIONS ASSIGNMENT – ACTION PLAN



Specific



Measurable



Achievable



Relevant



Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

Example: "I will decrease my 5K run time from 30 minutes to 21 minutes by June 15, 2020."



I will increase tech proficiency from 77% to 100% by March 30th, 2021.

How does this goal align with or support your dealer's vision?

What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?

Why is this goal important to you?



The dealership's vision is employees, customers, volume, then profits so increasing the tech proficiency will increase our techs pay, decrease customer wait time, increase hours billed, and increase profits.

By achieving this goal we will increase employee and customer satisfaction in addition to utilizing our facility more. The consequence to not improving our proficiency will be continuing to negatively affect our bottom line by not getting all of the hours possible out of each technician.

FIXED OPERATIONS 2 – SERVICE

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve?

For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.



SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECK POINT DATES
hold meeting to announce start of new objective	Email Conference room	Operations Manager	100% attendance	start 03/01/2021 check 03/15/2021 end 03/31/2021
create daily tracking for technician production to begin goal setting	Computers Excel	Service Manager	Technician knowledge of daily goals and tracking	start 03/01/2021 check 03/15/2021 end 03/31/2021
Monitor technician work routine for distractions	Cameras	Operations Manager	Finding employees and habits that distract technician from work	start 03/01/2021 check 03/15/2021 end 03/31/3021
Add parts running and vehicle pull in to bay to the porter task list	Service greeter/porter	Operations Manager	Less time spent at parts counter and looking for vehicles	start 03/01/2021 check 03/15/2021 end 03/31/2021
put monthly 100% proficiency bonus in place	HR department	Service Manager	Technician incentive to stay working	start 03/01/2021 check 03/15/2021 end 03/31/2021

## SERVICE OPERATIONS HOMEWORK – ACTION PLAN

How will you track your progress? Where will you find the information? How often will you check in?



Every day we will pull the hours billed out of the DMS versus the hours available to input into the tracking sheet that the Service manager will review with the technician in the morning.

### Potential Obstacles?



The biggest obstacle will be getting the technicians accustomed to a higher standard of production. They are used to hanging out at the parts counter currently and used to talking to service advisors during the day. Changing the culture will be the biggest obstacle.

### Potential Solutions?



Leadership will be the solution. The service manager's leadership will be crucial in implementing this change and following the daily tracking. But the real leadership will come from getting the top tech, the leader and influencer of the technicians to lead the charge.

**BOTTOM LINE!** What is the financial impact (expressed in dollars) of achieving your goal?



moving the proficiency from 77 to 100 will add \$3218 in gross profit per technician per month

**CONGRATULATIONS!** You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.



The pay-plan, report, and accountability process will keep us from sliding backwards. The service manager will be responsible for the daily tracking and the service manager will be held accountable by the General Manager.

## Synopsis

It is very obvious that the lack of hours service is open greatly impacts our profitability and the opportunity to truly service our customers. Switching the techs to 4 10's should help us increase our hours of operation and increase tech productivity, efficiency and proficiency.

Getting the new service manager trained correctly should have a big impact on Shop moral, parts and Service profitability. Having him holding meeting with the techs, learning to motivate and push them will make a huge impact on the culture in the shop.

Switching to a Proficiency pay plan for the techs should help increase productivity in the shop. This will also increase gross percentages across the board. While also helping increase the shop utilization.

The Service manager randomly going over MPI's while the tech has the vehicle on the hoist will ensure MPI's are being done correctly and 100% of the time. This will help increase our hours per RO, get the mix of work more in line, and increase our average labor per RO.