

# SWOT Analysis – Lexus of Seattle

## Strengths

- Having an excellent brand making it easier to sell mostly maintenance.
- Having a core of service employees with many years of experience.
- Knowledge of peers.
- Help when in need.
- Aside from the newer techs, everyone else has been here for 5+ years with a lot of 10+ year people at this dealer.
- Dealership departments work well together for a common goal.
- Longevity with employees and managers.
- Perform quality repairs with backup/guarantee.
- Warranty best in industry.
- We have a good team, we all help each other when needed and we all get along on a daily basis.
- We seem to have a somewhat consistent customer base.
- Good group of people that work well together.
- Leadership and management is approachable and willing to help when problems arise.
- Company frequently shows appreciation for employees with financial rewards and other events.
- Job tenure / employee retention.
- Good work culture.
- Engages all employees.
- Wages.
- How they treat employees.
- Few dealerships in area.
- All departments work really well together to have a positive goal.
- Work is completed in a timely manner and quality is high.
- Great people, all of my interactions with many of the employees and managers show that we have the best people here.
- Beautiful facility, just finished a remodel and it looks great.
- Continuing to strive to give the guest the best experience possible at our dealership.
- Our team and our ability to work together to help others out.
- Our pricing is extremely competitive when compared to other Lexus locations in the area.
- Our ability to get most if not all people in for an appointment on same day.
- Our Multipoint inspection application makes showing the customer what is needed and the importance of each item easy to understand and helps with selling products and services.
- Our techs build trust and understanding for the customer and they see their car in a very unique way.
- Large loyal customer base.
- Service department works well as a team for the most part.
- Long term employees in service drive and shop make the process much easier and consistent for employees and guests.
- Coworker dynamic.

## Weaknesses

- No in house detail department. We don't have the space for an in house detail department.
- Current sublet detail department is entry level at best, too much work and not enough staff.
- Time taken to approve work/recommendations.
- Productivity / communication between departments.
- Not everyone is held accountable.
- Seem to be different standards for some techs.
- Parts department doesn't seem to stock enough parts for common repairs.
- Shop is too small sometimes, not enough racks when busy.
- Improve stock of common failure parts.
- Guest should not need loaner for headlight repair.
- Communication is not the best sometimes, people aren't always on the same page.
- Parts inventory is sometimes low with commonly used parts.
- Low on stock or no stock of commonly used parts.
- Needs better standardized labor rates for all techs, some charge more/less for the same job.
- Focus on quality of repairs, not quantity of repairs.
- Car wash.
- Some low employee morale.
- Nature of the beast is the 'me' mentality instead of the 'we' mentality.
- Some work is completed too fast which created low quality sometimes.
- Some workers skip steps to get more hours and is overlooked.
- Parts department doesn't always stock what is needed for common repairs which slows down progress.
- Car wash is not functioning well as it once was due to personnel issues.
- Due to supply shortages, vehicle inventory is low causing challenges with Sales.
- Sometimes promising too much at one time, causing the guest's expectations to not be met as we expect causing a poor experience.
- Ability to find and hold onto support staff that can greet customers and assist in everyday tasks in the service drive.
- Overall quality control of cars that come out of the car wash/vacuum.
- Call centers ability to correctly make appointment that includes notes of guests concern or going over any previous recommendations
- Shop size limits us on adding more bays or additional space for outside vendors.
- Call center needs work, most likely a high turn-over rate and new people.
- Parts needs to stock more basic parts.
- Need more drive from people in wash bay and support staff.
- Technician shortage continues to hamper growth in shop.
- Has become impossible to add support staff.
- Porter / greeter support.

## Opportunities

- With a new luxury building it is being complimented daily.
- It would be nice to have facility perks for customers such as a putting green or kids play area.
- Learning new skills for completing work.
- Going to Lexus training to better my certification level.
- Able to move up in the company if you put the work in.
- Improve loaner fleet (like for like).
- We have a lot of room for growth.
- The demand for Lexus vehicles is good.
- The demand for service seems good.
- Maybe market older customers / vehicles.
- Sales / marketing to younger buyers who may be attracted to only EV's.
- Training.
- Population growth in area.
- Good opportunities to move up if you put in the work and sometimes need to push management.
- Due to the recent remodel, guests will like to see and feel more comfortable in the dealership while they purchase a vehicle or wait for service of their vehicle.
- Always look for new ways to make sure we supply our guests the most positive experience as possible.
- Install digital displays in the service drive with current promotions and specials.
- Offer an array of Lexus performance/add-on parts on display in both service and parts department
- Perform alignment checks in the service drive for check in's
- Growing customer base due to quality of car and local growing region.
- New plug in electric capabilities are pulling in customers that want electric vehicles and have a dependable vehicle that keeps its resale value high.
- More big tech companies moving here, amazon etc. will have more growth
- We sublet a ton, opportunities exist pulling these services under our roof top.
- Window tinting.

## Threats

- Aftermarket shops in our area with much lower price point.
- Other dealerships.
- More local shops and dealers.
- Independent and mobile shops can undercut us.
- Undercut from other dealers or independent shops.
- Comparison of money paid not equal of services provided.
- Lexus of Bellevue.
- Aging equipment.
- High demand for good techs.
- Aging talent / tech base.
- COVID19
- General location includes many competitors.
- Other dealerships in area.
- Sometimes mobile or independent shops can undercut us.
- Not as many people, especially young people, are wanting to become technicians so it is difficult to get qualified technicians.
- Parts and vehicles are difficult to get due to supply shortages.
- Doing anything that causes a guest to have anything less than a positive experience.
- Lots of third party shops in the area with good reviews and significantly lower labor/parts rates.
- Other dealerships and shops in the area are competing to attract high level techs and are incentivizing.
- Online transparency with pricing makes buying oem parts online a much better deal for anyone that's internet savvy.
- A lot of new manufacturers and all other manufacturers are stepping up their quality and customer requested options and accessories. They are always striving to beat us to get to the top.
- Newer cars don't have as much maintenance, great to retain and capture older Lexus car owners.
- Constant change to manufacture maintenance schedules.
- Future electric cars.
- Current parts shortages.
- Current pandemic thinking.
- Price.

## **Objectives**

- Improve performance or perception of parts stocking levels
- Improve shop equipment
- Improve Car Wash quality
- Improve Greeter / Porter performance
- Hire technicians
- Improve guest experience

## **Strategies**

- Determine if a not-in-stock part should be stocked.
- Assess existing shop equipment to determine if replacement is needed based on efficiency.
- Observe and inspect quality of car wash.
- Observe and inspect guest perception and priorities of greeters /porters.
- Work with local technical colleges to recruit up-and-coming technicians.
- Observe the guest experience from different perspectives.

## **Tactics**

- Parts department will communicate the 'why' when we do not have a part in stock that could be perceived as commonly replaced.
- Replace aging equipment if needed.
- Train / coach car wash staff, revisit expectations, and continue to provide immediate feedback.
- Train / coach Greeter / Porter staff, revisit expectations, and continue to provide immediate feedback.
- Meet with local colleges and instructors to keep our pipeline flowing.
- Focus on hospitality and guest experience by coaching and providing immediate feedback.

## **Action Plan**

- Track parts fill rate and lost sales, communicate this information to Advisors and Technicians
  - o Service and Parts Managers
  - o December 1<sup>st</sup>
  
- Review shop equipment with Diagnostic Specialist, Team Leader, and GM to determine what needs to or should be replaced.
  - o Service Manager
  - o December 1<sup>st</sup>
  
- Regularly inspect car wash quality.
  - o Service Manager
  - o January 1<sup>st</sup>
  
- Regularly observe Greeter / Porter performance.
  - o Service Manager
  - o January 1<sup>st</sup>
  
- Meet with local technical college instructors to discuss future technician needs.
  - o Service Manager
  - o January 1<sup>st</sup>
  
- Regularly observe and provide immediate coaching and feedback to all guest experience at dealership
  - o Dealership Management
  - o December 1st

## Synopsis

Although it seem the majority of our Service employees feel this is an overall great place to work, we definitely have room for improvement.

More awareness of parts stocking performance and the logic behind that will accomplish one of two things:

Either educate the Service Advisors and technicians that we are performing at least above average, or it will expose opportunities for us to become more effective for our guests.

Addressing any shop equipment needs for efficiency will likely improve tech performance. Our dealership was just remodeled, yet the technicians did not directly benefit from this. The shop was not part of the remodels, and not only do we need to consistently be addressing equipment issues, but we need to show the technicians they are valued and we are investing in them.

Car wash quality has been an issue here and there since the beginning of time. Consistent focus will absolutely have a positive impact on the guest experience.

Greeter performance has a direct impact to the guest experience, and they are pulled in many different directions. Sometimes the perception is they are not performing well, and sometimes the Advisors feel a greeter should be at the advisors beckon call at all times. Expectations should be set for greeters periodically, and coaching and feedback should be immediate.

We have seen success with young aspiring technicians through the local college. It is more important than ever to keep this pipeline going, and relationships with the instructors are critical to this process.

Hospitality is above all the most important thing to our guests. Leading by example and providing immediate feedback and coaching when something occurs that needs to improve must happen. If employees do not receive consistent coaching and feedback, then they assume what they are currently doing is acceptable.

Consistent focus on 'doing the right thing' should be our mantra - for our guests, our employees, and our employer.