

Service Department Analysis for Ron Dupratt Ford

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Strengths

1. Store has been in operation since the 1960's, it is a well know name in the market area.
2. Over 10 years ago management did a big push to gain fleet customers. The store has a large percentage of fleet customers compared to other dealers nearby.
3. High employee retention. Many techs have been there for 5+ years and get along very well and the customers know this as well.
4. There is a strong and positive culture in the service department. The techs frequently help each other on jobs even when they are not being paid.
5. Large percentage of experienced techs that can figure out repairs that other shops cannot.
6. We have a AAA partnered fleet of tow trucks that comes in handy and also looks great to customers.
7. Always have work for all techs. Very rarely do techs have to be sent home early.

Weaknesses

1. The service department does not have enough technicians. We are constantly back logged on work for days/weeks out.
2. Not enough racks and bays for the volume of customers that need work done.
3. The facility is old. The service department has not been remodeled for over 30 years. This can come off as unpleasant to customers.
4. Old equipment and tools. This results in higher expenses because we are constantly repairing them.
5. Shop is disorganized. Not being able to find the correct tools definitely drops proficiency.
6. There is a Lack of communication between the service writers and parts department.
7. There is a group of techs that do not show up for work on time at 8:00AM consistently.
8. Overall morale of the department at times is low.
9. Lack of new training.

Opportunities

1. Sending out more specific mailers and targeting advertising correctly.
2. More pickup and delivery for customers.
3. Need to acquire and train more assent students.
4. Update buildings and equipment.
5. Match the service department hours to the hours of sales.

Threats

1. Less and less people interested in being automotive techs.
2. Other dealers and independent shops offering more money for less work.
3. Independent shops with lower labor rates and more efficiency.
4. Transitioning to electric vehicles that do not require as much service and can be updated over the air without coming into the dealer.

Objectives

1. Decreases percent of one item RO's.
2. Increase customer traffic at Quicklane location.
3. Stop scheduling customers over a week out.
4. Always have at least 2 asset students.
5. Distribute work more efficiently to increase ELR.
6. Improve communication between service advisors and parts department.

Strategies

1. Ensure technicians arrive to work on time.
2. Extend service hours to match sales.
3. Add a dispatcher to ensure the correct work is assigned to the best fit tech to maximize ELR.
4. Convert body shop advisor to do internal RO's so service advisors can focus on customer pay and warranty work.
5. Meeting with parts department to go over lost sales.
6. Advertise competitive work prices to keep customers from going to independent shops.
7. Implement phone training by sales department monthly and adjust terminology, like saying reservation instead of appointment.

Tactics

1. Require sales people to introduce customers to service department while waiting for finance.
2. Shop foreman is now the dispatcher and only assists in helping others and not taking on jobs himself.
3. Utilize stalls in the body shop across the street so some techs can work out of 2 stalls and increase proficiency.
4. Schedule more complex jobs on Saturdays so that it is not wasted to do only small work.
5. Pay plan for technicians need to involve proficiency.

Action Plan

Service Manager:

1. 2 meetings a week with parts manager to go over fill rate and lost sales.
2. Prepare 2 unutilized stalls in body shops for a service tech.
3. Promote shop foreman to Quality/Dispatch Manager and assign pay plan along the lines of ELR and come backs.
4. Extend hours of operation and open Sundays.
5. Add a bonus for tech proficiency
6. Require Quicklane advisors to do a customer walk around every time.

General Manager:

1. Build new service bays and remodel current ones.
2. Replace old equipment with new modern technology.

Synopsis

The most prevalent problem at Ron Dupratt Ford is the need for space and technicians. Finding new customers is important but we must first more efficiently and professionally take care of our existing customers.

The easiest but also most expensive fix is to build another facility. Besides that we can extend our service hours to close at 6:00PM and also be open on Sundays. By ensuring our A and B level techs do not receive low level work we will also have them available for the larger jobs that our customers are waiting on. Our foreman has voiced that he is getting old and cannot work as fast as he once could but has wisdom. He would be utilized much better to assist and train the new techs and dispatch work appropriately.

Locating young talent and new recruits is just as important as supporting our current employees. This year we visited a high school with Ford motor company to create excitement about the business which is great but we need to do this at more schools and more often.

Lastly by adjust pay plans to reflect key metrics such as ELR and proficiency we can really get to the next level.

Repair Order Analysis Summary Report							
		Sales in Dollars	FRH's on RO's		Averages	Analysis	
Competitive		\$ 5,458	÷ 65.60	=	83.21	FRH Average	
Maintenance		\$ 1,388	÷ 10.30	=	134.72	FRH Average	
Repair		\$ 67,635	÷ 353.20	=	191.49	FRH Average	
Totals		\$ 74,481	÷ 429.10	=	173.57	Customer ELR	
				Target Labor Rate	165.00	Per FRH	
Total Ro's in Sample		100		Difference	8.57	Per FRH	
Cost of Labor							
Total Cost of Labor		12911.90	÷ Total Sales	=	17.34%	Percent Cost of Sales	
Total Cost of Labor		12911.90	÷ Total FRHs	=	30.09	Cost per FRH	
Repair Order Measurements							
Total Labor Sales		74,480.99	÷ Total	=	744.81	Avg Labor per	

			ROs			RO	
Total FRHs		429.10	÷ Total ROs	=	4.29	Avg FRH's per RO	
Menu Sales			÷ Total ROs	=		Percent Menu Sales	
Competitive FRHs		65.60	÷ Total FRHs	=	15.29%	Percent Competitive	
Maintenance FRHs		10.30	÷ Total FRHs	=	2.40%	Percent Maintenance	
Repair FRH		353.20	÷ Total FRHs	=	82.31%	Percent Repair	
One item ROs		48	÷ Total ROs	=	48.00%	Percent One Item RO	
Model Year Analysis							
2022	2021	2020	2019	2018	2017	Older	
0	0	6	9	7	9	69	
0.00%	0.00%	6.00%	9.00%	7.00%	9.00%	69.00%	

