

# Qualitative SWOT Analysis

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### Class 327 - 16

### Fixed Ops 2

#### STRENGTH

- 1) Our service department does a great job of taking care of their best customer, the used car department they are turning the cars thru the shop in 72 hours
- 2) Our turnover on techs is very low.
- 3) We have added a service BDC to handle the inbound phones and follow up with customers on S.O.P and open recalls which will increase our business and help with our customer surveys.
- 4) We recently hired a marketing team for our group of 5 stores which will help drive business - no more outsourcing!
- 5) We have a high customer base retention
- 6) We had our best month of the year in October in service.
- 7) Parts department is well stocked. Both departments work extremely well together.

- 8) Finance department has increase their maintenance penetration from 4% up to 17% in the last 90days.

### Weaknesses

- 1) Service advisors have a high turnover rate and current likely aren't the right fit. 2 of 4 are good.
- 2) Service advisors are simply order takers and are not selling recommended work.
- 3) Without internal we would be dead in the water. Absolutely must increase CP business.
- 4) Policy is currently 3% of gross for the year so is eroding profits.
- 5) Service department is below group average in customer service scores.
- 6) Little to no marketing or promotion done in the first 9 months of the year.
- 7) NO NON-DEALER COMPETITIVE PRICING BOARD IN SERVICE DRIVE.

### Opportunities

- 1) Our market has a number of "old school" dealers and independent shops who are not forward thinking and changing with the times.
- 2) Increasing tech proficiency will instantly make us profitable.
- 3) BDC is selling a lot of hours in the shop - now up to us to capitalize on those hours and ensure we are selling tech recommended work.
- 4) More service advisor training - recently enrolled our team in sales training also include them in walk around training with sales department.
- 5) Install non-dealer competitive board in service drive.
- 6) We do work on ALL MAKES AND MODELS!!! Need to push this much more aggressively with marketing team.
- 7) We have a number of items we can easily focus on that will quickly improve our profit ie, marketing, wheel alignments, selling tech recommendations, training, etc...

### Threats

- 1) Competition getting better.
- 2) If internal work slows down, we will be in a world of hurt as it makes up such a large percentage of our current work mix.
- 3) Technician turnover - if this ever becomes a problem for us we will be in a tough spot.
- 4) Our service advisors are not in the right spot for them to succeed. We need sales people in these positions and not order takers.
- 5) Losing technicians to competitors with crazy signing bonus.

### Objectives

- 1) Improve tech proficiency - right tech on right job, working when clocked in, quicker parts turnover process, etc...

- 2) FIND SERVICE ADVISORS!!! Stop putting people in as a “stop gap” measure because we need someone - look at moving someone good from sales side into advisor role.
- 3) Continue to train and improve our walkaround and up selling skills.
- 4) Training the quick lane techs to do a better job of completing the inspection sheets
- 5) Market our service department aggressively! We have the best trained technicians in the business - WE NEED TO PUSH THIS MESSAGE! We can do what others can't!
- 6) Began accurately tracking lost business and declined work.
- 7) Grow our Saturday business and extend our hours to match sales department.

### Strategies

- 1) Ensure the technicians understand their metrics and what our expectations are.
- 2) Marketing marketing marketing - need to get our messages out and effectively communicated.
- 3) Continued training for advisors, technicians, service manager, BDC staff, and GM.
- 4) Attract sales orientated people for service drive.
- 5) We have the non-dealer pricing already - need to get this on the forefront.
- 6) Increase business and awareness for Saturday hours.
- 7) Implement a system for declined work and lost sales.

### Tactics and Tasks

- 1) Service manager to have large white board installed in shop with technician and advisors names with metrics. These are to be updated daily by the individual - green market if on or above target, red marker if below. **To be implanted by SERVICE MANAGER BY JANUARY 1, 2018**
- 2) Weekly meeting with BDC manager, service manager, GM, parts manager and marketing manager. This will allow us to evaluate in real time what is working and what's not and adjust instead of waiting until the end of the month to review the financial statement. **To be implanted immediately.**
- 3) Non-dealer survey board to be installed above service advisors in service drive. **To be completed by January 1, 2018 Service Manager**

- 4) Switch a producer in sales to service as an advisor - Pilot Project - To be completed by myself and Service Manager by February 1<sup>st</sup> and monitored regularly.
- 5) Aggressive monthly marketing plan. To be completed by last day of the month for the next month's specials - Service manager and Marketing manager - reviewed by General Manager
- 6) Review each CP RO and declined services nightly - Immediately and ongoing - Service Manager.

## Synopsis

We are heavily reliant on internal and warranty work. This year so far (using Octobers statement) . The bulk of our gross in the service department (65%) is coming from those two areas. If we ever had to rely on customer pay or internal and warranty ever slipped it would be catastrophic for the fixed side of the business.

We need to begin leveraging the fact that because we are in a very rural area most other dealer are asleep at the wheel and not focusing on this aspect of the business. This gives us a very strong competitive advantage that we need to focus on.

According to almost all predictions for vehicle sales nationally vehicle sales are going to take a slight downturn. Service needs to begin pulling its weight and help the dealership through what many predict will not be a great year.

Ford has one of the best tech training programs in the business and we need to use this for recruitment. I believe we can extended hours if we had more techs so that no bay ever has downtime.

Our BDC recently has undergone extensive overhauling as this was a major project for us in 2017. They've proven that they can fill the shop with pre-bookings, but our advisors absolutely must start selling the recommended technician work. This will improve all aspects of the department including retention, CSI, and overall profit.

We also increased our door rate 3 months ago. We haven't experienced any kick back or negative feedback from customers.

We have taken that increase of profit and were remodeling our service drive and customer waiting lounge.