

Service Department Analysis for Gibbons Ford

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N386

A SWOT analysis was provided to all members of the service team with directions to fill out the form. Directions were provided in the headers as to the type of information that was sought:

Strengths: What do we do well?

Weaknesses: What can be improved?

Opportunities: Openings for positive change – outside

Threats: What can negatively impact our business – outside

Staff was provided with the forms on a Monday and asked to return them to the Service Manager's office by Wednesday. It is my experience that the answers are more honest when the information can be delivered to my desk anonymously. Employees did take the time to complete the assignment with thought. The answers provided by our staff are listed in the following pages. Each answer is typed as it was written. Both the General Manager and the Service Manager participated in the project. My personal answers to the SWOT are not included.

This information has been reviewed with the General Manager and Service Manager. We have had open discussions about the future of the Service Department and how best to address as many of our employee concerns as possible. The assignment has opened the door for me to strengthen my relationship with our Service Manager, understand his vision for the department, and obtain clarity on how I can best support him in achieving his objectives.

## Gibbons Ford Service Department Strengths:

Location of dealership  
Shop techs know individual strengths  
Technician dedication  
Work as a team - works well together  
Takes ownership of customers / role in the dealership  
Customer / dog friendly  
Clean facility  
Open dialogue with upper management  
Good work environment  
Staff is understanding  
Employee benefits  
Schedule flexibility  
Emphasis on training and certifications  
Customer engagement (Jenny)  
Conduct business honestly  
Concern for employees  
Adapt to change well  
Family atmosphere (not stressful)  
Gibbons newsletter  
Managers that care and are willing to help  
Tech bonus program  
Concern for customers  
Steady supply of work  
Quality of work  
Matt - big strength - genuinely listens to techs  
Service large range of makes and models

## Gibbons Ford Service Department Weaknesses:

Communication – shop to advisors / shop to parts

Lack of knowledge – choosing to not listen – advisors

Lack of incentives to advisors to sell work

Lack of discipline for bad performance / attendance / attitude

Poor pay compared to other dealerships locally

Poor inventory management leads to lost sales and bad customer experiences

Lack of staff is making current staff over worked

Parts only wants to work ½ the time – feels like it's a constant bother every time you go in

Parts stock is all over the place

Parts – constantly waiting to be waited on

Staff talking down to other staff

Techs not fixing things right the first time

Advisors constantly backstabbing each other

Scheduling is all over the place

Advisors cant be found ½ of the time

Parts ordering – right part, proper amount, all pulled

Unfair distribution of work in the shop

Work ethic – some people don't care

People are afraid to ask for help in the shop

Lack of commitment to the processes

Finding fault not solutions

Shop maintenance

Sharing wealth with employees instead of useless items – like a sticker printer

Lack of tool allowance

More bays needed for QL to handle workload

Lack of time to clean shop and tools

Long wait times for repair appointments

Long wait times in maintenance

### Gibbons Ford Service Department Opportunities:

Our reputation – people willing to make the trip

Communication

Discontinue Quick Lane performing lengthy repairs

COVID benefits ending – hopefully more workers

Bronco and Maverick release

Hospital moving in – more business

Appreciation for each other leads to better customer relations

Consistent community involvement

Tool allowance / reimbursement

Discounts for nurses / military

Advertisements for all departments

Dealerships closure during severe weather / 2 hour delays – employee safety has to be priority

### Gibbons Ford Service Department Threats:

Parts on backorder

Parts shortages

COVID 19 pandemic

Unpredictable, excessive and overwhelming waves of customers

Competitors with shorter wait times

Other dealers

Economy / stock market

Supply chain

Weather

Customers that give us a bad reputation for service

Outside jobs that pay more

Customer reviews

Global chip shortage

### Service Manager Objectives:

1 – Month over month growth

2 – Increased fix it right the first time scores

3 – Customer satisfaction in the green

4 – Improved and amended pay plans for staff that are aligned with department objectives and focus on maintaining good staff

5 – Decrease policy

6 – Decrease discounting

7 – Increase the departments gross profit

8 – Improve scheduling

9 – Improve communication

## Strategies and Tactics in Obtain Service Manager's Objectives:

1 - Remove CSA (cost of sale adjustments) from the service advisors so that they cannot discount labor pricing arbitrarily. This will force advisors to charge the correct amounts for the job while still allowing opportunities to discount appropriately when needed. This will have an immediate impact on the bottom line as once particular advisor will now be forced to follow guidelines. (This action will have a direct impact on said advisor's pay plan - essentially giving him a pay increase - as part of it is tied to sales)

2 - Implementing quality control in the shop. The Service Manager would like to see someone with technical knowledge (not a porter) doing the final test drive before the vehicle is returned to the customer. We discussed options for what this process would look like and who would be involved. The Service Manager was willing to take it on - we discussed the pros and cons and ultimately landed on a salaried technician with many years in the industry.

3 - CRM usage for communication. Employees require re-training. Not all staff is utilizing the system to its fullest potential. This tool allows advisors to text customers and document notes and conversations. Create accounts for all parts personnel as well. As all departments have access to the tool this holds the greatest potential for increased communication dealership wide.

4 - Follow up calls - currently being completed by the Service Manager and Client Engagement Manager. Process developed to include the service advisors so that they are "owning" the customer through completion. The process involves asking for the survey to help increase CSI to the green. Staff will be training by the Service Manager as to how this should happen.

5 - Scheduling - Currently seeking a replacement for our current service appointment coordinator. This individual has lost all interest in the role and our customers. The basics of the job are not being completed. Scheduling is currently out 5 weeks. In addition to replacing our co-ordinator, the schedule itself needs to be reviewed and amended in terms of number and type of appointments available. Reviewing opening different types of appointments up for online customer scheduling to improve ease of access for customers. Currently 95% of repair appointments need to be made by a dealership employee.

6 - Technician scheduling - review our current schedules. Why does maintenance get a day off if they work Saturdays, but repair does not? Should we move back to late nights to increase the amount of time for work completion? Review service department numbers pre and post schedule changes. Conduct open conversations with technicians to determine their willingness to make scheduling changes and if so what are their suggestions.

7 - Decrease policy - seeking to implement a manager approval only policy. The service manager is exploring different strategies to implement this including, A/Rs to employees when procedure is not followed.

8 - Department expense review - what items are we paying for that affect our bottom line and how can we make adjustments? Are there items that can be cut or amended? Are we passing the cost of relevant items on to the customers in an appropriate fashion? A glaring example of this exercise was our wheel weights. Wheel weights are stored in the shop and are not monitored, nor are they charged to the customer. Every customer that comes in for tires needs this item, yet we let them walk out the door without a charge.

9 – Labor rate increase – conduct competitor analysis to determine if we are competitive within our region. Adjust labor rate and service pricing as needed to remain in the middle of the pack. Utilize benefits such as factory trained technicians to help justify the difference

10 – Operation code review – do the service advisors have appropriate coding to adequately service the customer? Are the codes set up correctly to allow for necessary tracking? Review discounting options on the coding to make sure that everything is in line with objectives.

11 – Implement maintenance menus – Ford provides access to the scheduled maintenance tool for every vehicle that is serviced. This tool is drastically under utilized and routine maintenances are not sold. Reviewing options with outside vendors to create an easy to read and understand maintenance menu that can be used at the desk to sell recommended maintenance. Greatest potential for increase to the bottom line. Requires re-training and a culture shift with both the advisors on the technicians.

12 – Thorough MPIs through mobile – while all services can not be done on the road, this has tremendous opportunity to grow service within the shop.

13 – Fixed operations department meetings separate from regular managers meetings. Both managers have expressed an interest through the course of these classes in obtaining additional information on the numbers generated by the departments month over month. These meetings will be used to review where we finished and how we can improve.

14 – Changes to how the technicians obtain parts to help improve technician proficiency. Exploring the possibility of a 00 / 20 / 40 system that will have a member of the parts team in the shop throughout the day to discuss parts needs with the technicians in the bays. Parts team members will gather information and then take it back to the parts department to run quotes and pull necessary parts. This will allow the technicians to have more time to focus on the repairs without waiting at the counter.

15 – Compensation review – assess the local market to make sure that our pay plans and compensation rates are in line with the market and address incentives that align with the goals of the department. The Service Manager has been gathering information in regard to what Ford's goals are for all departments. He has been analyzing year over year metrics and reviewing the targets of key competitors. Changes in pay plans will reflect the targets. For example, Quick Lane has given the company targets they would like for us to hit in regard to selling air filters. The Service Manager is working on building this into the pay plan. If the advisor hits the target, additional compensation will be available. We discussed the need to make sure that it is closely monitored and it is imperative that we continue to do business honestly. As we currently do not sell maintenance items – achieving the targets will be attainable within appropriate business practices. In regards to the technicians, we are reviewing base rates and incentive plans.

16 – Accountability – inspecting what is expected. We need to hold all team members to the same standards and enforce disciplinary protocols where needed.

17 - Greater involvement by the safety committee - ensuring that monthly department inspections are comprehensive and that items addressed are handled as soon as possible. Involving all staff members in the inspections.

18 - Increase marketing efforts - right now there is little to no marketing done for the service department. We need to advertise the benefits of coming to the dealership and provide incentives to customers to use our services over others. We intend to do this to a combination of efforts - greater information online, utilization of Consumer Connections tools through Ford, greater community involvement with local organizations, door to door visits by our mobile staff to introduce our mobile service program and the services it provides. Consumer Connections sends mailers to customers based on the criteria we are seeking. At this time, Ford is sending out a generic mailer with pre-loaded coupons. Involving the Service Manager in the process will allow us to be more targeted in our efforts and present coupons and discounts that make sense within our current environment. The community committee is being proactive with selecting local charities to be the recipient of funds raised for dress down days. These organizations are being featured on the website. The creation of the mobile service scheduling position will allow for continued growth by focusing on business development. This individual will utilize different tools including the FSA VIN report and BizzyCars to reach out to customers that may not be in our database to schedule them for needed service campaign repairs. Additionally, the service department needs to be included in the television, radio and print ads that are run. Currently the emphasis is on the sales department.

19 - Increase department utilization - At this time we are not utilizing the facility to its fullest potential. We are sitting at approximately 51%. Our maintenance bays will be more efficient once we return to the two man team system. Working 4 bays with two man teams allows for the completion of nearly 16 vehicles in one hour as opposed to 4 - 5. Better distribution of work is also being addressed. Several technicians are currently in a situation where they have two bays that they can work out of. The Service Manager is reviewing our dispatching processes to ensure that technicians who have a large item in one bay can use their second bay for smaller items and waiters. While a technician is waiting on parts for an engine, they can use the second bay to complete initial diagnosis or software updates. Training is being reviewed as well. There are several technicians who are factory trained in items like engines and transmissions but do not do the work for one reason or another. We are going to get them the hands on, in shop, training that is needed to be able to efficiently and correctly complete the work. Getting back to MPIs will also help. This is going to be a large culture change. However, reviewing the vehicles in their entirety will allow for opportunities to sell more work which will increase the number of hours being turned per job per bay. Also exploring opportunities to limit the types of work being done in maintenance. Moving larger jobs and higher mileage vehicles to the repair side will help increase the flow of traffic and decrease customer wait times. Tactics to increase the department utilization will also have an impact on technician proficiency.

## Gibbons Ford Service Department Action Plan

Items that have been completed:

Operation code flat fee analysis – changes made

CSA removed from the advisors on November 5. This elicited pushback from several who have used this as a way to “help” customers. We have seen a growth in profit since that point.

Wheel weight fee code attached to all mount and balance op codes at a \$2 standard. Wheel weights were previously not billed out.

Consumer Connections Meeting to review marketing options through Ford – Service Manager –  
Scheduled for December 10

Pay plan analysis and review – Service Manager / General Manager / HR

New pay plans with stair stepped incentives that align with goals for technicians and advisors scheduled for implementation on January 1

Hiring new staff for maintenance shop – Service Manager / HR

Actively seeking – goal is for three additional to further objectives by January 1

Two new technicians started on December 6 and 7.

Move Roni into her new role as mobile scheduling coordinator – Service Manager / HR

January 1

Move Erica into her new role as maintenance department parts coordinator and dispatcher

January 1

Monthly fixed operations meetings – General Manager / Service Manager / Parts Manager / Controller / HR

Every month once the financial becomes available

Door to door mobile service introductions for local business – Service Manager / Mobile Scheduler

Starts January 1 and continues as part of the role of the Mobile Scheduler

Two man training for the maintenance team to increase proficiency – Service Manager / Quick Lane Zone  
Manager

Scheduled for January – date to be determined

Local market analysis for price increases – Service Manager / HR

Completed prior to January 1 – changes to take place on January 1

Quality control process implementation – Service Manager / selected Technician

Training to occur during the month of December

Formal implementation on January 1

Track lost sales to increase parts availability – Parts Manager  
To start immediately

Weekly shop meetings – Service Manager and all technicians  
December 13

CRM refresher class – HR / all service and parts staff  
January 1

Implementation of maintenance menus – Service Manager / BG rep  
February 1

Adjust service schedule to allow for more appointment availability and decrease length of time to get an appointment – Service Manager / HR  
December 6

Parts counterpeople making daily rounds on the 00 / 20 / 40 to assist with needed parts – Service Manager / Parts Manager / Parts staff  
January 1

#### Gibbons Ford Service Department Synopsis

Gibbons Ford's Service Department has unlimited potential for growth. The addition of a new Service Manager who is driven and goal oriented has provided the foundation to make positive change. This individual has established a relationship with members of his team through being present, open and honest with his staff. He is gradually making positive changes and achieving buy in from the staff to further advance his overall plan.

While members of the staff have identified a number of positive elements of the department, they highlighted several areas of concern. One of the biggest being compensation. It is imperative that we review our current platform and adjust. We are in a situation where we have great staff and wonderful shop environment. If we intend to maintain that and get our staff on board with furthering the department goals, we need to proactively make changes that provide a solid base rate with opportunities for incentives based on those goals.

In many cases, we need to adopt a “back to basics” mentality. The staff has gotten away from some of the basics of their roles which not only hurts the customers, but the business. Re-establishing processes and procedures such as walk arounds and thorough MPI completion on every vehicle will present opportunities for additional sales and ensure that the customers are getting the level of service that expected from a reputable dealer. Maintenance is the greatest area for growth next to mobile service. By simply recommending the items that are suggested at the proper intervals, we will see increased profits that will benefit the dealership, advisors and technicians with the new pay plans.

Communication needs to increase both inter and cross departmentally. All of the tools that are available to further this goal should be utilized. The management teams needs to continue to be open and available to staff and address concerns in a timely fashion.

Our service department has many of the right people and the right tools to be successful. The service manager has a five year goal of reaching a million dollar month. If we continue to be critical of ourselves and our processes and strive to make positive changes, there is no reason that our team should fall short of that goal.

100 RO Analysis

Repair Order Analysis Summary Report							
		Sales in Dollars		FRH's on RO's		Averages	Analysis
Competitive		\$ 3,728	÷	96.70	=	38.55	FRH Average
Maintenance		\$ 1,835	÷	23.60	=	77.73	FRH Average
Repair		\$ 3,183	÷	33.00	=	96.46	FRH Average
Totals		\$ 8,745	÷	153.30	=	57.05	Customer ELR
				Target Labor Rate		108.29	Per FRH
Total Ro's in Sample	100			Difference		-51.24	Per FRH
Cost of Labor							
Total Cost of Labor	2664.90	÷	Total Sales	=	30.47%	Percent Cost of Sales	
Total Cost of Labor	2664.90	÷	Total FRHs	=	17.38	Cost per FRH	
Repair Order Measurements							

Total Labor Sales	8,745.35	÷	Total ROs	=	87.45	Avg Labor per RO
Total FRHs	153.30	÷	Total ROs	=	1.53	Avg FRH's per RO
Menu Sales		÷	Total ROs	=		Percent Menu Sales
Competitive FRHs	96.70	÷	Total FRHs	=	63.08%	Percent Competitive
Maintenance FRHs	23.60	÷	Total FRHs	=	15.39%	Percent Maintenance
Repair FRH	33.00	÷	Total FRHs	=	21.53%	Percent Repair
One item ROs	55	÷	Total ROs	=	55.00%	Percent One Item RO

### Model Year Analysis

2022	2021	2020	2019	2018	2017	Older	Total
0	7	14	14	12	11	42	100
0.00%	7.00%	14.00%	14.00%	12.00%	11.00%	42.00%	