



**Service Department Analysis for Mission Bay Volkswagen**

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**Class: N389**



### Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 6,886	45.40	151.67	FRH Average
Maintenance	\$ 10,751	77.30	139.09	FRH Average
Repair	\$ 18,360	111.30	164.96	FRH Average
Totals	\$ 35,997	234.00	153.83	Customer ELR
		Target Labor Rate	150.00	Per FRH
Total Ro's in Sample	100	Difference	3.83	Per FRH

#### Cost of Labor

Total Cost of Labor	7551.05	Total Sales	20.98%	Percent Cost of Sales
Total Cost of Labor	7551.05	Total FRHs	32.27	Cost per FRH

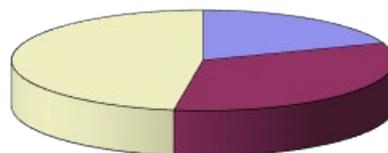
#### Repair Order Measurements

Total Labor Sales	35,996.94	Total ROs	359.97	Avg Labor per RO
Total FRHs	234.00	Total ROs	2.34	Avg FRH's per RO
Menu Sales		Total ROs		Percent Menu Sales
Competitive FRHs	45.40	Total FRHs	19.40%	Percent Competitive
Maintenance FRHs	77.30	Total FRHs	33.03%	Percent Maintenance
Repair FRH	111.30	Total FRHs	47.56%	Percent Repair
One item ROs	34	Total ROs	34.00%	Percent One Item RO

#### Model Year Analysis

2023	2022	2021	2020	2019	2018	Older	Total
0	0	3	3	13	10	71	100
0.00%	0.00%	3.00%	3.00%	13.00%	10.00%	71.00%	

Labor Mix



■ Percent Competitive ■ Percent Maintenance □ Percent Repair



## Qualitative SWOT Analysis

### Strengths

1. Internationally known automotive brand with strong roots.
2. Loyal customer base.
3. The customer base that supports the service dept. has a high avg. income.
4. Advisors with strong selling skills
5. Capacity to take in a large amount of vehicles / customers daily
6. Knowledgeable Service Manager with twenty plus years with the brand.
7. Knowledgeable shop foreman with thirty plus years with the brand.
8. Technician head count
9. Access to a large and organized OEM special tool inventory.
10. Supportive Dealer Principle



## Qualitative SWOT Analysis

### Weaknesses

1. Lack of tenure and training for service advisors
2. Aged facility
3. Expenses are too high
4. Tech unapplied time / tech proficiency
5. Poor communication with customers / CSI
6. Tech retention due to EV companies
7. Efficiency and effectiveness in the OEM parts supply chain
8. Lack of tenure of back parts counter salesmen
9. Lack of tenure of trained technicians
10. Low new car sales to feed service



## Qualitative SWOT Analysis

### Opportunities

1. Service social media presence (advertising / relevance)
2. Tech training
3. Parts availability
4. Parts counter training
5. Speed of repairs (efficiency from technicians)
6. More service traffic (increased customer base)
7. Tech efficiency = more shop hours produced
8. Establishing strong relationships with new and existing customers
9. Service staff to create solutions for customers.



## Qualitative SWOT Analysis

### Threats

1. Strong Volkswagen competitor within 3 miles (with new facility)
2. Competitors ability to steal customers and win more market share
3. Losing technicians to NEW EV companies
4. Area dealerships offer INSANE coupons
5. Parts delays (customers getting frustrated)
6. OEM not having enough training classes for techs and advisors
7. Tech motivation / hunger to make hours
8. Customer having unrealistic expectations / lack of patience.
9. Lack of communication between depts. (Parts and Service)
10. Current economic conditions may decrease customer spending



## Objectives / Strategies / Tactics

### Objectives

1. Improve bottom line net dollars
2. Improve the technicians FRFT, proficiency and efficiency
3. To acquire new customers and retain them
4. Lower fixed operations expenses.
5. Increase fixed coverage
6. Improve technician retention
7. Improve overall service dept. effectiveness.



## **Objectives / Strategies / Tactics**

### **Strategies**

- 1. Reevaluate pay plans, review expenses**
- 2. Reevaluate advertising to increase customer base**
- 3. Hold group and individual technician meetings to discuss objectives and expectations.**
- 4. Create social media, advertising, car clinics and dealership events to build long term relationships**
- 5. Break down the financial statement by each account and sub account to see where there are opportunities for savings**
- 6. Increase gross dollars and lower expenses**
- 7. Quarterly employee satisfaction surveys to increase communication and possible areas of opportunity**
- 8. Create and distribute dept. composites for goals based on NADA guides and educate pertinent staff on how to achieve those goals**



## **Objectives / Strategies / Tactics**

### **Tactics**

- 1. Establish and prioritize KPI's so that pay plans can align with the business needs**
- 2. Have a think tank meeting with all fixed operations managers to come up with 5 solid advertising schemes**
- 3. Create training material, shop performance meetings and individual coaching session to increase proficiency and knowledge of goals**
- 4. Have a think tank meeting with all fixed operations managers to come up with 5 solid advertising schemes**
- 5. Create an evaluation spreadsheet to break down each account and subaccount granularly. Make adjustments to expenses to align with NADA guides**
- 6. Create and distribute surveys quarterly. Evaluate surveys and pick top 5 concerns to address, improve and monitor progress**
- 7. Weekly meetings to discuss periodic business goals**



## Objectives / Strategies / Tactics

### Action plan

<u>Task</u>	<u>By Whom</u>	<u>Completion Date</u>
KPI / Pay plans	Jack / Shane	05/01/22
Think Tank	Jack / Shane / Cary	05/01/22
Training materials / Shop performance	Jack / Shane / Cary	05/01/22
Think Tank Fixed Ops Managers	Jack / Shane / Denean	05/01/22
Evaluation spread sheet	Shane	05/01/22
Quarterly Surveys	Denean	05/01/22
Weekly Fixed meetings to discuss weekly goals	Shane / Jack / Cary / Denean	05/01/22



## Synopsis

After review we've established we have a strong dollar per RO and hour per RO Average. Of all the areas of opportunity the technician's proficiency is our biggest challenge, with a twelve month average of 78.95. Tech proficiency will be our focal point.

With focusing on training and implementing more efficient processes this should increase the technicians efficiency and productivity. This will ultimately increasing the overall profitability of service dept. and will improve fixed coverage.