Fixed Operations 2 - Service Homework
Shaun O'Connor – NADA 392

Service Department Evaluation

Current Practices

Tony Graham Toyota Service Department is a well-established service centre with a mature and loyal clientele. It consists of a 20-bay shop facility. The bays comprise of 17 2-post hoists, 3 ramp hoists (2 with alignment capabilities). Operating hours are 7am-7pm Monday to Friday and open Saturday (seasonally Mar/April/May and Oct/Nov 8am-4pm). The technician schedule consists of 13 technicians and 3 apprentices working 7am-3pm, 4 technicians and 2 apprentices working 3pm-11pm. Apprentices work solo as shop schedule permits and during shift overlap from 11am-3pm, apprentices work with and assist technicians, developing their knowledge and skills.

Dealership has recently transitioned to the PBS Dealer Management System, a modern and capable system that is not yet being used to its full capability. Techs are paid individual flat rate and work is manually dispatched to technicians. Advisors place workorders in tower and techs receive work in order it is placed in tower. "Waiting" customers are given highest priority and remainder of work is sorted by amount of work and promise time. "Express" Ros, both prebooked and walk-in are placed in a separate tower for apprentices. Electronic dispatch is available on DMS but not yet being utilized. Appointment booking system is "Dealermine" integrated with PBS to manage shop capacity and customer arrival times, PBS appointment scheduler function not currently being utilized.

Current front-line staff consists of SM, 2 ASMs and 6 Service Advisors. SM shift is 8-4, ASM and 4 advisors work 7am-3pm, ASM and 2 advisors work 11am-7pm. Thoroughly analyzing current operations and most recent financial statement (March 2022) will provide a clear picture where service department ranks vs. industry benchmarks and areas for improvement.

Goals for Improvement

Implement electronic dispatch for distribution of work improving efficiency and accuracy of dispatching. This will ensure competitive work is dispatched to lower skill/cost employees and eliminate unnecessary effort from advisors, allowing them to focus more on the customer. Automating system will also ensure work is dispatched in correct priority.

Increase shop efficiency by optimizing technician schedules, eliminating technician down time and increase productivity.

Utilize Appointment Scheduler in PBS to eliminate redundant costs of unnecessary system and improve gross margin.

Set up system for technician absences, allocating apprentices automatically to available bays ensuring shop utilization is maximized. Express/competitive work will continue to be performed by apprentices throughout entire day when available.

Eliminate reconditioning/no appointment backlogs that tend to occur during peak seasonal demand of tire season.

Improve ratio of Hybrid technicians to match increased industry trend/demand towards Hybrid and electric vehicles. This will also positively impact UCD recon creating more technicians able to recondition E-vehicles.

Increase warranty labour rate as soon as possible. Door rate increase provides opportunity to increase warranty rate and improve gross margin and overall ELR.

Reduce amount of 1 line Ros, improving FRH per RO.

Plans to Achieve Goals

Confirm all skill levels and operation codes correct for technicians/apprentices to ensure work is distributed accurately to correct individuals. Ensure advisors understand importance of completing fields accurately to ensure customer work is allocated correctly in electronic dispatch system. Review all skill levels quarterly and update as required to make sure all skills match with current technician abilities and certification levels.

Shift technician schedule to a staggered setup. Analysis shows current schedule of all techs starting at same time as service department opens results in technicians waiting for work orders to be written up. This issue is particularly apparent for morning “waiting” appointments resulting in 0.5-1 hrs wasted per tech. Shifting some technicians start times to later in the morning will ensure work is immediately available and eliminate wasted inventory, improving productivity.

Develop schedule allocating specific apprentices to specific bays in technician absences. Apprentices will be advised when technicians booked off or call in sick and transition seamlessly to maintain productivity and minimize downtime.

Improve reconditioning backlogs by scheduling additional tech(s) on Saturday shift during peak season. Pre-scheduling technicians will ensure availability as opposed to soliciting volunteers when turnaround delays are realized and ensure no overflow/UCD reconditioning requests carry over to following week without being inspected.

Review technician certifications monthly, place visual board in SM office showing all certification levels. Encourage technicians to complete all available online courses and send to applicable training as soon as available.

Complete required 150 RO study spreadsheet and required documents and submit to Toyota Canada for review to increase warranty labour rate.

Ensure advisors are recommending items from walk around and reviewing maintenance menus with customer upon reception. Ensure technicians and trained to access service history and recommend outstanding maintenance items ensuring a unified message is presented to customers and decrease one line Ros with only competitive services.

Plans to Evaluate Changes

Continue to monitor dispatch system once ERO is implemented and verify work is being distributed correctly. Note instances where issues occur and modify skill levels and system priority settings accordingly.

Monitor technician productivity following schedule shift modification to ensure productivity increased. Compare reports before shifts adjusted and after adjustment performed, making minor changes if required. Focus on shifting schedules of technicians who are repeatedly late for current shift start at 7am, which may be mutually beneficial for employee and department.

Monitor apprentice productivity prior to implementing set “vacant bay” schedule/policy and compare with reports after implementation to ensure improvement present. Allocate shop foreman to oversee and enforce policy.

Review UCD reconditioning/emergency drop off queue status every Monday and verify all vehicles have been inspected. Follow up on any outstanding used vehicles with repairs that have been authorized to ensure none are being delayed unnecessarily. Review “No appointment/Overflow” board weekly to ensure all outstanding Ros addressed.

Review technician Hybrid certification ratio quarterly identifying technicians who are approaching certification and create action plan for future progression. Ensure visual board in SM office is updated and current to make sure issue remains in focus.

Review warranty rate on annual basis and consider application for increase at each review.

Marketing

Maintain Existing Customers

Place statement on invoice copies advertising that we work on different makes and models. This will ensure existing customers are aware that we can cater to their service needs for their other vehicles in addition to their Toyota vehicles.

Show value with “No Charge” services on invoices. This includes no charge labour items when combined with services and complementary services. Examples include installation of Seasonal tires at no charge with service (Savings of $56.00+tx) or courtesy vehicle wash (Value of $7.99+tx). This will ensure customer is aware of value being provided and aware of savings received that we are not currently conveying to customer.

Place service menus in Early Bird drop box envelopes to solicit additional services on after hours drop off. Create custom maintenance menu indicating when services are due for specific items including pricing. Have check boxes on menus for customer to easily select and authorize additional items to be performed. Showing time/mileage intervals for services on menu will help educate customer or prompt inquiries for these additional services.

Obtain New Customers

Increase social media presence. Ensure active on platforms such as Instagram promoting interest in department. This type of marketing will not only advise customers of limited time offers and specials, it will also help in promote engagement with the business, with informative and educational videos for the consumer to learn from and reference when needed. Examples of these short videos include simple items such as showing how to change wiper blade refills, simultaneously providing knowledge and familiarity with the dealer itself as well as the service staff.

Current promotions on service department website have not been updated in months and contain no expiry dates. Cycling through different promotions, particularly in the slower months, with expiry dates no more than 30 days out will help promote interest as well as urgency. Getting customers in for these specials will provide opportunities to sell additional services and capitalize on the additional customer traffic that these limited time offers provide.

Facility

FACILITY POTENTIAL	
Number of Bays	20
	x
Number of Days	23
	x
Number of Hours	12
	x
Effective Labor Rate	131.79
FACILITY POTENTIAL	$ 727,481

FACILITY UTILIZATION	
Total Labor Sales	$ 349,026
	÷
Facility Potential	$ 727,481
	equals
FACILITY UTILIZATION	47.98%

The key limiting factor in optimizing facility utilization is current overlapping of technician shift schedules. Without the ability allocate additional technicians for a full shift prior to or after the current technician's schedules, we are not able to completely eliminate the vacancies. One possible solution for this issue is to switch to a rotating 12-hour shift for technicians, such as a 4 day on, 4 day off schedule. This could help ensure all bays are occupied for the full duration of the service department operating hours. Apprentices could also be allocated to individual bays alongside technicians for their entire shift, also positively impacting unapplied time. Gross profit percentage would increase as competitive work could be performed consistently with a lower cost of labour. A possible challenge to this scenario is technician retention due to disrupted schedules in an already competitive environment with the current technician shortages.

Another possibility to be considered is to adjust operating hours to be able to accommodate 2 full shifts. Challenges with this approach are due to the seasonal variations in demand trying to maintain a supply of work for the slower months. A possible solution to this would be to expand operating hours during the high customer demands of spring and fall tire seasons. This would help in keeping unnecessary expenses low and increase the ability to capitalize on seasonal trends. Technicians and service support staff would have more favourable hours during periods of lower demand and benefit from servicing the increased customer volume during high seasonal demands. Although this is an effective option from an operational standpoint, the shifts in schedules lack consistency and may confuse customers at times.

While careful consideration of the above scheduling changes must be taken too truly maximize shop utilization, optimizing the technician's current schedules to ensure they are productive for the entire duration of their shift is another way to positively impact factory utilization figures. While this adjustment does not affect shop utilization directly, it will help in improving labour sales, which will in turn provide a more favourable utilization ratio.

Productivity

Performance

	Labor Sales / Month		*Hourly Labor Rate*		*Hours Billed*	
Customer Car*	$ 256,557	÷	131.79	=	1946.7	
Customer Truck*		÷		=	0.00	
Customer Other*		÷		=	0.00	
Warranty	$ 49,483	÷	130.71	=	378.6	
Internal	$ 42,986	÷	149.95	=	286.7	
New Vehicle Prep		÷		=	0.00	
Total	$ 349,026				2612.0	

POTENTIAL

$ 349,026	÷	2611.95	=	$ 133.63			
Total labor sales for month		Total hours billed		Effective Labor Rate			
21.00	x	7	x	23	=	3,381.0	
# Service mechanical technicians		# Hours/Day		Working Days/Month		Clock Hour Aval	
3,381.0	x	$ 133.63	=	$ 451,791			
Clock Hours Available		Effective Labor Rate		Labor sales potential			

Technician Proficiency

2,612.0	÷	3,381.00	=	77.26%
Hours Billed		Hours Available		Tech Proficiency

Technician proficiency will be addressed by optimizing procedures and schedules to eliminate wasted inventory. This will be achieved through adjusting technician shifts to ensure work is available for the entire duration of their shift. Adjustments to technician schedules will include staggered shift start times. Current downtime at the start of the day, waiting for their "first job" will be eliminated while ensuring customer's needs are still being met. This strategy will also align with customer drop off times and ensure technicians are available for morning "waiting" appointments. It will also improve the flow in the service drive through, eliminating "bottlenecks" during current peak drop off times. As more technicians will no longer be on the clock, waiting for the advisors to check in customers prior to receiving a job. Work will be immediately available to technicians upon arrival at the start of their shifts, directly improving proficiency.

Cost of Labour

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	$ 256,557	$ 188,532	73.49%	73.51%
Customer Truck			0%	0%
Customer Other			0%	0%
Warranty	$ 49,483	$ 36,450	73.66%	14.18%
Warranty Other			0%	0%
Internal	$ 42,986	$ 31,015	72.15%	12.32%
NVI / Road Ready			0%	0%
Adj. Cost Of Labor		$ (12,526)	0%	0.00%
Total	$ 349,026	$ 243,471	69.76%	100.00%

The above calculation illustrates a high customer labour percentage of overall sales. Contributing factors can partially be attributed to the internal and warranty figures. The lack of current internal demand is directly impacted by low inventory in new and used vehicle departments. The current warranty labour rate is negatively affecting the percentage of sales contribution figure. Submitting for a warranty labour rate review as soon as possible will directly improve gross profit in the warranty column.

Utilizing electronic dispatch function on DMS system will also help improve gross %, particularly for customer pay labour. This will ensure work is being dispatched according to the skill levels of the technicians and competitive work is being allocated to apprentices.

Expense Structure

Expense Category	Dollar Amount	% of Gross
Department Gross	$ 262,327	
Variable Expense		0.00%
Selling Expense		0.00%
Personnel Expense	$ 100,625	38.36%
Semi-Fixed Expense	$ 73,040	27.84%
Fixed Expense	$ 60,373	23.01%
Unallocated Expense		0.00%
Dealer's Salary		0.00%
Total Expenses	$ 234,038	89.22%
Net Profit	$ 28,289	10.78%

Analysis of the department expense structure shows personnel expenses within acceptable limits and below industry benchmark. Total net profit is low and should be analyzed to find areas of improvement. One factor that negatively affects net profit during the study month is explained with the usage of both the prior and new DMS system simultaneously. Although this overlap period promotes a smoother transition in switching management systems, its increased expense has a negative effect on net profit. Another focus in the reduction of expenses would be shop supplies. Considering a “one-in/one-out” process would ensure all shop supplies are being used in shop for customer vehicles. This would reduce sop supplies being used for employee personal reasons, as the technician must return the item’s previous container to parts to obtain the new one.

Higher net profit will be achieved by both increasing gross and lowering expenses. Setting up and utilizing the electronic dispatch function in the DMS will promote proper allocation of work and will help in ensuring margins are achieved. The warranty rate increase will not only help with repairs of warrantable failures, but with factory prepaid maintenance plans provided on extended warranty contracts. This rate is directly affected by the warranty rate and could potentially match the current recently increased door rate. As the penetration rate of these extended warranty contracts is high, this factor is a low hanging fruit that will positively affect gross profit.

Repair Order Analysis Summary Report

	Sales in	FRH's on		

	Dollars		RO's		Averages	Analysis
Competitive	$ 4,643	÷	44.70	=	103.87	FRH Average
Maintenance	$ 10,203	÷	73.40	=	139.01	FRH Average
Repair	$ 7,611	÷	52.30	=	145.52	FRH Average
Totals	$ 22,457	÷	170.40	=	131.79	Customer ELR
				Target Labor Rate	132.71	Per FRH
Total Ro's in Sample	100			Difference	-0.92	Per FRH
Cost of Labor						
Total Cost of Labor	5141.28	÷	Total Sales	=	22.89%	Percent Cost of Sales
Total Cost of Labor	5141.28	÷	Total FRHs	=	30.17	Cost per FRH
Repair Order Measurements						
Total Labor Sales	22,456.81	÷	Total ROs	=	224.57	Avg Labor per RO
Total FRHs	170.40	÷	Total ROs	=	1.70	Avg FRH's per RO
Menu Sales		÷	Total ROs	=		Percent Menu Sales
Competitive FRHs	44.70	÷	Total FRHs	=	26.23%	Percent Competitive
Maintenance FRHs	73.40	÷	Total FRHs	=	43.08%	Percent Maintenance
Repair FRH	52.30	÷	Total FRHs	=	30.69%	Percent Repair
One item ROs	53	÷	Total ROs	=	53.00%	Percent One Item RO

100 Repair Order Analysis

100 repair order analysis shows repair flat rate hours slightly under benchmark of 40%. This can be attributed to current parts supply issues with many special-order parts on backorder which are primarily used for repair sales. Customer-pay Effective Labour Rate (ELR) identified with the RO analysis is $0.92 below target. When considering the target is based on the current warranty rate, which is well below the rate the service

department could potentially obtain with a rate review, ELR must be an area of focus. Increasing repair sales percentage would help in raising ELR. A high percentage of one item repair orders is also negatively impacting ELR. With most of these repair orders having only competitive maintenance items on them, they directly lower the department ELR. Focusing on identifying additional service needs during reception and finding additional items during walkarounds are ways to lower one item ROs. This strategy will also help improve average flat rate hours per RO and total labour sales.

Cost of labour is very slightly over benchmark and within an acceptable margin. Focusing on properly allocating the distribution of work and should help in improving this figure. Another factor that will help with cost of labour percentage is the upselling of repair and maintenance items on competitive work goes through the shop. These are often one line Ros and focusing on completing additional work on these vehicles will directly impact ELR.

Service Department Analysis for Tony Graham Toyota
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SWOT Analysis

Strengths

-loyal customer base, higher than average retention
-foreman respected by customers, very knowledgeable with product/high tech
-GM very active in monitoring KPI, coaching senior staff
-New very capable DMS, much more advanced than previous system
-Service Manager/Dir. Of Fixed Ops very experienced
-CSI high, good customer satisfaction
-new DMS ensures proper op code usage, all work priced correctly, no outdated codes
-all managers open to new ideas to improve processes
-recently updated facility with modern attractive appearance

Weaknesses

-mature area/no new development, stagnant population/no growth
-not using new DMS to full potential, still struggling to be more efficient than with prev. system
-lost some strong service members recently, affecting production and morale
-previous service hours (which were best in area) have been cut due to COVID/tech shortage
-techs start at same time as dealer opens, often not getting work until 7:30-8am
-more technicians/apprentices than bays, increasing unapplied time, cost of labour
-low stock of parts (due to supply chain issues, possibly improper stocking levels also), often smaller sister dealer (Kanata) has stock we do not, new DMS inefficient when s/o parts req'd
-service closes before sales
-too many one-line ROs, often only oil changes, driving down hours per RO
-tech productivity bonus' low affecting motivation
-work on all makes/models but actual ratio from Toyota/other brands very low
-low social media presence (compared to other dealers in area)
-no display boards in service drive
-warranty rate low
-retaining staff has us catering to employee demands over operational requirements at times

Opportunities

-many more hybrid/electric models entering market steering more work (PDIs etc) to service dept.

-quality brand with extensive battery technology entering E-vehicle market (late but quality offerings)
-increase warranty rate, door rate recently increased, allowing for significant increase
-new DMS with technicians working individually promotes productivity
-increased demand for “Pick-up” services following Covid

Threats

-many new dealerships in area, many newer than our facility
-other dealers actively target service staff, lack of quality talent available
-Independent repair shops priced lower than us with better hours
-lack of new vehicles inventory affecting future UIO due to supply chain issues
-longer service intervals on newer models
-work demand very seasonal, hard to staff correctly for demands from different seasons, remain profitable in slow seasons

Objectives

-Create standard operating procedures for efficient workflow processing in new DMS system

-Eliminate extra costs caused by redundant systems for appointment booking
-Remove manual dispatch system and automize for increased efficiency/productivity
-Increase warranty labour rate to maximum achievable at current door rate
-Increase shop utilization from apprentices in technician absences
-Ensure apprentices allocated correctly to ensure constantly and consistently productive
-Increase technician proficiency and maximize all available hours during shifts
-Consider adjustments to schedules/operating hours to completely eliminate vacant bays and maximize overall shop utilization
-Increase Hours Per RO and decrease one-line ROs
-Increase parts sales, parts to labour ratio on repair orders
-Increase amount of hybrid technicians and overall technician certification levels
-Eliminate delays in completing emergency drop off/UCD reconditioning during busy seasons
-Lower expenses during slower demand seasons while still satisfying demand during busier seasons
-Capitalize on demand from customers for pickup and delivery service
-Eliminate tech downtime awaiting parts from parts department
-Address sales department operating hours exceeding service department hours
-Minimize financial objections for required services and upsells
-Improve sales with customer facing visual displays to promote interest/engagement
-Convey value to the customer regarding no charge or discounted items to show savings
-Ensure unified message is being presented to customers through BDC/advisor and technician recommendations
-Address objections consistently in regard to declined/deferred recommendations
-Promote urgency and increase redemption of special offers from website
-Advise existing customers who may only be servicing their Toyota with us that we service different makes and models
-Monitor shop supplies usage, reduce, manage and track related expenses
-Manage laundry service expenses and ensure discounts obtained when possible
-Sell additional services to customer using the “early-bird” drop off options
-Improve technician certifications and encourage course completion
-Encourage technician development with difficult jobs and increase skill levels

Strategies

-Create workflow chart for new DMS to ensure consistency between employees/departments

-Utilize new DMS for appointment booking, eliminating redundant systems, lowering expenses
-Set up and activate electronic dispatch in new DMS
-Apply for warranty labour rate increase
-Create schedule/workplan for apprentices to automatically fill in bays with absent technicians
-Eliminate tech downtime at start of day, adjust tech start times so they start working as soon as shift begins
-Consider adjusting technician shifts to match operating hours or adjust operating hours to accommodate 2 separate shifts to optimize shop utilization
-Develop “Spiff” program for advisors to raise hours per RO and encourage each advisor to find .3 addt’l labour on each RO/walkaround to decrease one line Ros,
-Track lost parts sales, determine what aspects are controllable to adjust inventory accordingly
-Focus on and monitor technician development, encourage growth
-Schedule more technicians on Saturdays during seasonal demands to eliminate work overflow/ lower turnaround for UCD reconditioning
-Adjust staffing/schedule seasonally to match demand/lower expenses during slower season
-Nominal charge for pickup service currently done no charge
-Develop/implement and streamline pre-pick process in parts dept with new DMS
-Open until 9pm (at least during busy season) mirroring sales dept so always accessible
-Offer financing for repairs to minimize customer financial objections
-Set up more visuals in drive through, competitive boards, parts display
-Show value/savings for no charge items and have listed on jobs on RO
-Ensure all BDC/advisors/techs trained to review service history/maintenance schedules and allow them to recommend maintenance items due by time/mileage, and eliminate wasted time of recommending items that are not due
-Create word track for advisors for declined items, show importance and value to customer
-Coupons/discounts on website must have expiry date to promote urgency
-Print statement on invoice and website advertising that we work on other makes/models
-Open new RO every month charging shop supplies to each tech to monitor usage, consider “one in/one out” method where tech returns old can before getting new
-Inquire on discounts from laundry company when techs on vacation, ensure techs who leave are removed immediately
-Place service menu in early bird envelopes to promote addt’l services
-Consider nominal bonuses for factory course completion promoting/encouraging completion and improving tech certifications
-Consider implementing variable diagnostic charges
-Ensure shop foreman is advising technicians instead of diagnosing/repairing vehicle for them (particularly in slower season)

Tactics

-Workflow chart will act as SOP to assist existing employees and act as training material for new employees

-Develop shop schedule with PBS that aligns with operating hours/modified technician shifts
-Ensure all skill levels for technicians and operation codes correct, ensure advisors aware of required/accurately recorded RO fields on writeup
-Use recently increased door rate to perform review and maximize warranty rate
-Provide apprentices with prescheduled bay assignments when technicians are absent
-Stagger technicians start times throughout the morning so ROs are written up prior to the start of their shifts
-Meet monthly with advisors and review hours per RO and percentage of one item ROs
-Have technicians record when parts not available for repairs, meet and review list with parts manager monthly
-Place visual board with technician certification levels in Service Manager's office, review monthly
-Prescheduling additional technicians in advance will be more effective than soliciting volunteers to address emergency drop off overflow and UCD reconditioning backlogs
-Have annual meetings with GM/FOM to discuss operating hours and possible ideas for adjusting service department operation hours to meet consumer demands following many adjustments made during Covid pandemic
-Create pricing strategy for pick-up/drop off services
-Discuss efficiency/effectiveness of pre-pick process with part manager during monthly meeting
-Match sales department operating hours, ensuring service open as late as sales
-Partner with company offering affordable financing options for repairs that can be accessed quickly and easily
-Service Manager and Parts Manager to develop display boards in service drive
-Create different op codes prebuilt in DMS showing savings/discount amounts allowing advisors to quickly insert statements on Ros showing value for no charge/discounted services
-Provide training to all BDC/Advisors and Technicians to ensure all are aware how to identify overdue services to recommend, promoting unified message to customers
-Service manager will develop and distribute word track to advisors to address declined/deferred services
-Advertising manager will work with FOM, SM and ASM to develop limited time offers, quarterly meetings will take place to plan offerings for upcoming season
-Advertising manager will create statement on website which will also be printed on bottom of customer invoices advertising that we work on all makes and models
-Service Manager will review shop supply usage monthly, identifying and addressing supplies/employees with high usage
-Part of exit plan upon termination of employees will be to contact laundry service immediately, vacation time will be recorded by Service manager and discount requested
-Asst. Service manager will develop custom service menu to be placed in "early bird" envelopes
-Bonus program for course completion will be created by service manager and considered for encouraging technician certifications and growth, shop foreman will assist in teaching/coaching

Tony Graham Toyota Action Plan

Task	Role	Completion Date
Create PBS Workflow chart	Asst. Service Mgr.	June 1st
Set up/Activate ERO in DMS	Service Mgr/Asst. Service Mgr.	July 1st
Apply for Warranty Labour Rate Review	Asst. Service Mgr.	May 1st
Create Apprentice Schedule for Vacant Bays	Service Mgr.	May 1st
Shift/Stagger Technician Schedules	Service Mgr.	July 1st
Consider Modifying Operating Hours/Overhauling Technician Schedules	General Mgr./Fixed-Ops Mgr./Service Mgr.	September 1st
Create System to Track Lost Parts Sales/Identify Opportunities	Parts Mgr./Service Mgr.	June 1st
Develop Limited Time Offers and Post on Website	Service Mgr./Advertising Mgr.	June 1st
Develop/Place Custom Service Menus in "Early Bird" Envelopes	Asst. Service Mgr.	June 1st
Develop "Spiff " Program for Advisors to Lower One-Item ROs	Service Mgr.	July 1st
Place Technician Certification Display in SM Office for Quarterly Review	Service Mgr.	June 1st
Develop Pricing for "Valet" Service to Charge for Customer Vehicle Pickups	Service Mgr.	July 1st
Eliminate Redundant CRM/Use PBS for CRM and Appointment Booking	Fixed-Ops Mgr./Service Mgr.	July 1st
Schedule Additional Technicians for Saturday Shifts During Busy Season	Service Mgr.	September 1st

Synopsis

Analysis of service department operations shows a profitable well run service centre with some areas for improvement.

Technician shifts require to be adjusted to fully maximize potential, increase proficiency and shop utilization. Immediate adjustments can be made within current or with minor adjustments to operating hours. To achieve optimum shop utilization ratio, technician shifts and/or operating hours would require significant changes.

Recent door rate increase allows opportunity to increase warranty rate, raising returns o warranty repairs and extended warranty maintenance plans alike. Proper op code utilization will also help in maximizing warranty rate increase.

New DMS system is very capable and customizable. Activating electronic dispatch system will help improve flow of work, limit unnecessary work for advisors/management and ensure work mix is distributed correctly. This will have a positive effect on productivity, proficiency and cost of labour.

Marketing initiatives directed towards maintaining existing customers will help inform customers of the value received when servicing their vehicles, the additional offering the department has and promote add-on services. Social media presence and website limited time offers will engage customers and solicit traffic.

The implementation and execution of the ideas and measures presented in the action plan will help optimize the service department operations, increasing gross and lowering expenses. Through constant and consistent evaluation of the proposed measures and ideas, improvements to the bottom line can be immediately realized and carefully monitored, making adjustments where necessary for maximum improvement and long-term success.