Service Department Analysis for Bob Johnson CDJR of Avon

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Strengths:

- CSI is in the top percentile in our area
- Many service staff have been with the store for 10+ years = good culture and team work
- Business Link dealer and strong commercial client base
- Strong experienced diesel techs
- SOP customers are automatically notified by the system when received into inventory
- Service manager has been in the industry for 40 years, predominantly with Mopar
- Surrounding areas are growing

Weaknesses:

- Tech hours in the building do not exceed 33
- Small shop and outdated building
- Advisors/Manager not maximizing profit potentials
- Pay structure for advisors not in line with KPIs
- Menu / marketing and sales training are weak

Opportunities:

- Vehicle sales volume is the highest in decades
- Now being part of 25+ store group adds internal opportunities
- Menu / marketing and sales training will have a big affect
- Videos and photo aids are big value adds for the consumers
- Visual “better best” aids

Threats:

- New BIG groups growing around our market
- EV capacity / facility constraints
- Independents growing in our area
- Other companies recruiting our employees

Objectives:

- Improve gross margins with better distribution of work
- Improve gross with labor matrix
- Improve gross with less one line RO’s
- Increase tech productivity
- Increase facility production
- Decrease lost sales

Strategies:

- Manage and execute a quick lube operation

- Focus on work mix / maximizing shop flow
- Give customers a smooth online scheduling system
- Train staff on overcoming sales objections and provide resources to do so

Tactics:

- Weekly manager meeting identifying KPIs with the parts manager
- Adjust pay plans to KPIs / bonuses
- Adjust Tech schedules to proper production
- Adjust Labor and parts matrix
- Daily manager TOs with customers declining jobs
- Include GSM in parts and service meeting for support and understanding

Action Plan:

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Task	**By Who**	**Complete by**
Manager TO's	Manager	8/15
POS Marketing / Marketing / Better Best Displays	Manager	8/30
Menu Sales	Manager / Advisors	8/15
Change Tech hours	Manager	8/30
Tech Proficiency Bonus	Manager / GM	8/30
Quick Lube upfit construction / Extra Bays	GM	8/30
Daily / EO Day Parts & Service Manager mtgs	Managers	8/15
Online Schedule Fix	Manager	8/30
Tech Visual Photos and Videos	Manager	8/30
Acquire driver management platform	Manager	8/30
Matrix labor implementation	Manager	8/30

Synopsis:

The distribution and mix of work are an opportunity for incremental growth. Furthermore, the pricing strategy needs evolution. With the growth of EV, diesel and more complex products, the pricing matrix needs to be implemented and adjusted periodically.

Hours are also a clear opportunity for growth. The fact that techs are only working 33 hours a week in the building is “no brainer”. Although the facility capacity is a clear barrier to accommodating the techs, there is a way to maximize the facility productivity with focus and adjustments.

Grass roots / basic marketing / menu / value selling is also an opportunity for exponential growth with little investment. Displays of “good, better best” products and photo/video selling is an easy way to reduce 1-line RO’s is an easy way to increase gross. Nonetheless, management needs to keep a pulse on tickets that are declined and provide the techniques and training to overcome the objections.

Financing option along with concierge services, well managed, are a major value-added proposition that will yield profits. Convenience and time savings are always, in my opinion, worth paying more for as a consumer myself.

Lastly, the performance-based pay plans/bonuses are critical to enhancing the focus. However, respect and appreciation daily are equally as important to the morale of the team. Team outings, family picnics and weekly public recognitions are all good ways to make each employee feel appreciated.