

Service Department Analysis for Decarie Motors

By: Max Segal N398-17

Strengths:

- Good teamwork between technicians. Our experienced techs are always willing to help the techs that need it.
- Customer loyalty/retention.
- Good relationships between the advisors and clients.
- Our Fixed Ops Manager has 26 years of service experience in the luxury automotive sector.
- 3 technicians that were nominated for the guild award by Land Rover/Jaguar.
- We have a large utilization potential. We could be selling more work.
- Our union rep talks to the techs and upper management to make sure they're always working in a comfortable environment.
- High employee retention.

Weaknesses:

- Answering phones and following up with customers.
- Setting customer expectations properly.
- Service hours do not match sales hours and the service department is not opened on the weekend.
- No marketing for the service department.
- Tool room cleanliness/disorganization.
- High levels of obsolescence in the parts department. We are not stocking the right parts.
- Poor lighting in the Land Rover/Jaguar shop.

- Assuming we have the luxury of time with every client.
- Poor customer satisfaction ratings.
- Customer greetings. We do not make our clients feel like they're important.

Opportunities:

- Service hours to match sales hours and can also be opened on weekends. We must make ourselves conveniently available for our customers.
- Start marketing our service department.
- Give sales training to our service advisors with our best sales reps.
- The brands we sell are in high demand, which will allow our customer base to grow.
- Create an eBay page to help sell our obsolete parts. Train the Parts manager on phase in/phase out criteria to help stock more of the correct parts.
- Refresh the JLR garage to increase technician moral and reduce lost time on jobs (i.e., better lighting, clean/organize tool room).
- Start using video MPIs to sell more work.

Threats:

- Incoming luxury tax on all new vehicles over \$100,000. Could lower new vehicle and accessory sales.
- There are 4 JLR stores within a 10-35min drive from the dealer. We have to make sure we're always treating our customers properly as they can go anywhere else.
- Service intervals have now increased to 2 years for most of our products.
- More electric vehicles being sold than in the past. Less maintenance work to be done on these vehicles.
- Many independent shops in our area with competitive pricing.

- The incoming language mandate in Quebec could make it harder to find employees as they must be bilingual (French and English).
- Incoming agency model may lead our loyal customers to go to the nearest dealer to service their vehicle.

Objectives:

- Improve tech efficiency, productivity and proficiency.
- Improve service NPS.
- Reduce obsolescence and increase stock for parts that fit into the phase-in criteria.
- Clean and organize tool room. Create check-in/check-out process for special tools.
- Improve tech moral by enhancing features of the garage.
- Start tracking how many times a customer returns for the same service issue.
- Improve technician workorder stories to increase warranty labor dollars.
- Create monthly accessories brochure for sales reps with parts pricing and labour times to improve accessory sales.

Strategies:

- Sales training for our service advisors.
- Create ecommerce store to post/sell our obsolete parts.
- Train parts manager on phase-in/phase-out criteria and how to keep the right parts in stock.
- Address general complaints about the garage to improve technician moral.
- Clean and organize the tool room. Create a process to maintain cleanliness.
- Create a check-in/check-out process for our special tools.

Tactics:

- Take our two best sales reps and use them to train our service advisors on a weekly basis.
- Use CDK's phone tracking system to analyze the percentage of missed phone calls in the service department.
- Hire a summer internship to get rid of obsolete parts. He will work with our parts manager to gather, post and sell these parts on eBay.
- Have a weekly meeting with our Parts manager to discuss first time fill rate. We will see which parts have phased in/out and adjust our stock orders accordingly.
- Replace halogen lights in shop with LEDs.
- Replace tiled shop floor with Stonehard surface.
- Gather a group of technicians to clean and organize toolroom.
- Have a parts clerk check out/check in special tools onto the work order.

Action Plan:

Task	By Whom	Completion Date
Brief sales reps on training the service advisors. Come up with a plan that will be most beneficial to improving customer satisfaction.	GM	July 1, 2022
Sales reps will have weekly meetings with the service advisors to train them on the best sales practices.	Sales reps x2	Weekly
Find out how to get the service departments phone tracking report through CDK.	GM	July 1, 2022
Hire a summer internship to help clean up the parts obsolescence.	Parts Manager/GM	July 12, 2022
Gather and consolidate obsolete parts into one area for easy access.	Parts Manager	July 12, 2022
Open an ecommerce store on eBay and start selling obsolete parts.	Intern/Parts Manager	July 12, 2022
Weekly parts manager meeting to help improve first time fill rate.	GM	Weekly
Replace lightbulbs in shop with LEDs.	GM	July 17, 2022
Replace shop floor with STONEHARD.	GM/Dealer Principle	August 19, 2022
Clean and organize the tool room with a group of technicians.	GM/Techs x5	July 8, 2022
Start a check in/check out process for special tools with one of the parts clerks.	GM/Service Manager/Parts Manager	July 1, 2022

Synopsis:

Our service department has huge potential for growth and profitability but there are a few factors that are currently preventing us from reaching it. First, our customer satisfaction scores are very poor. We do not make our clients feel welcome and appreciated when coming to the service drive. We do a poor job of answering phones and we do not greet customers properly. It's hard to present value for additional work when we don't make our customers feel important. Just like our sales staff, we need to have weekly sales training sessions with the advisors. Communication and making the customer feel special is our sales teams strong point and I believe these skills are needed with our advisors. Once the advisors build good relationships with our clients, it will be much easier to add value to the additional work we can offer on a job.

Technician efficiency, productivity and proficiency is also an issue in the service department. Tech's lack motivation and moral is low right now. After meeting with the technician's, we realized this stems from feeling like upper management doesn't listen or care about them. They have asked and patiently waited for certain improvements to be made in the shop but nothing has been done. As upper management, we need to make the technicians know that they are valuable members of the company and I believe this starts by listening to what they have to say.

We will start by cleaning the shop and tool room of all excess parts and junk. Next, we need to improve the lighting and flooring to make our technicians jobs easier. This will not only improve moral but also efficiency. With a clean and organized shop, locating a certain tool will be much easier which will reduce lost time.

Lastly, we need to improve our first time fill rate in the parts department. This will help with our customer satisfaction scores as clients won't have to wait as long to receive their vehicles. Our advisors will also have an easier job selling additional work knowing that we have the parts in stock and that we can get the job done quickly. We need to start by getting rid of our obsolete parts and then we can start phasing-in more parts that we need.

RO Analysis:

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 4,642 ÷	28.59 =	162.35	FRH Average
Maintenance	\$ 29,405 ÷	166.76 =	176.33	FRH Average
Repair	\$ 37,223 ÷	214.53 =	173.51	FRH Average
Totals	\$ 71,270 ÷	409.88 =	173.88	Customer ELR
Target Labor Rate			173.00	Per FRH
Total Ro's in Sample	82	Difference	0.88	Per FRH

Cost of Labor

Total Cost of Labor	13731.01 ÷	Total Sales =	19.27%	Percent Cost of Sales
Total Cost of Labor	13731.01 ÷	Total FRHs =	33.50	Cost per FRH

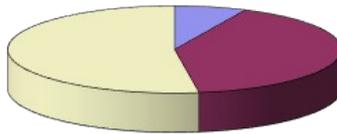
Repair Order Measurements

Total Labor Sales	71,269.50 ÷	Total ROs =	869.14	Avg Labor per RO
Total FRHs	409.88 ÷	Total ROs =	5.00	Avg FRH's per RO
Menu Sales	÷	Total ROs =		Percent Menu Sales
Competitive FRHs	28.59 ÷	Total FRHs =	6.98%	Percent Competitive
Maintenance FRHs	166.76 ÷	Total FRHs =	40.69%	Percent Maintenance
Repair FRH	214.53 ÷	Total FRHs =	52.34%	Percent Repair
One item ROs	24 ÷	Total ROs =	29.27%	Percent One Item RO

Model Year Analysis

2023	2022	2021	2020	2019	2018	Older	Total
0	3	5	13	9	10	42	82
0.00%	3.66%	6.10%	15.85%	10.98%	12.20%	51.22%	

Labor Mix



■ Percent Competitive
 ■ Percent Maintenance
 ■ Percent Repair