

Truckworx Kenworth of Huntsville Service Dept Analysis

- a. **Facility** - As I look at our facility utilization and the potential, I believe several small changes will bring up our percentage. Our current best month to date is just over \$200K and the current state of work force has created many more challenges. We have addressed the turbo closing probably that this dealership has always faced, but I do believe cutting time down hanging around the back counter, getting parts handled and delivered much faster, having one on ones with techs about efficiency (the importance of it) and just overall having the entire team informed with all the information that makes a service department function to its best ability.
- b. **Productivity**- Currently we 8 technicians with one being on medical for the past 8 months has really driven this number down, but as a team we all have to understand how important this percentage is. Having the shop foreman, service manager, lead techs and techs understanding what exactly this means to our business but better yet our customers bring much value to the table.
- c. **Cost of Labor**- Truckworx pays technicians hourly and we have a structure bonus program on how we pay technicians based off billed hours, excellent program that we just revised beginning in August to even better incentivize our team. Our cost of labor has been \$175 for almost a year and our warranty pay has been \$175 since January 2022. Our Internal work drives our numbers down being that New HD/MD is \$115 per hour and Used HD/MD is \$95 per hour. This just happens to be a cost out of our control driven by our Dealer Principal.
- d. **Changes in Expense Structure**- For the most part I think our service department does a really good job now that we have created an SRT Spreadsheet that we update weekly to ensure we get the most out of every job we can. The change was created about 10 months ago and has been a game changer. Now, up front do we sell every available hour we could get on some jobs, absolutely not, but we are becoming better as we become more familiar with SRT's.
- e. **Level of current training**- Our current training score with Paccar is extremely low and not where we would like to be. With only 2 at 100%, a couple in the 90% range, we rank really low. I now have a dedicated Director of Service who sends time tracking training, keeping us up to date with what's available and upcoming for our team. This is a work in process, getting the buy in has been difficult but we are headed in a much better direction. Our proficiency will be increased as our team works together, study's our monthly training tracks, working closely with our Director of Service and begin holding each other accountable on training so we can continue to be the best in our market.
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