

Service Department Analysis for KIA on the
Boulevard
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Qualitative Analysis

Strengths

- **Hard working team when motivated**
- **Techs work well together and stick with one another on jobs.**
- **Good management team and leadership.**
- **Strong minded individuals**
- **Great management and tech relationships.**
- **We have two master techs that teach the younger generation or new employees to the KIA world that we take care of for doing so. There is not push back from them to help others because they are incentivized.**
- **Very high demand and volume.**
- **Well established name in the community, have been around since 2009.**
- **Strong customer data base and re-peat business in the service department.**

Weaknesses

- Techs and parts relationship is nonexistent.
- Lack of technicians. Currently have 5 in the main shop and 1 lube tech.
- Outdated tools and technology.
- Out date facility, no ac in the summertime for customers nor techs.
- Old lifts the techs complain are sometimes not functional.
- Alignment rack very outdated and a safety hazard (techs refuse to use it)
- Lack of communication all around from techs to advisors to parts.
- No system in place for organizational purposes.
- No shop foreman to help dispatch and organize the day to its full potential.
- PDI pods have come up several times we currently have two but seems like it's a hassle when working on multiple pdi's at the same time.
- Car pusher seems to be a big thing. Techs currently help each other push cars in and out, taking time from them working on cars.
- No quick lube lane or service drive lane.
- Parking is scattered and not organized.
- Techs feel like they are the bottom of the barrel.
- Shop flow and over booking appointments.
- No warranty admin (currently svc manager submits all warranty claims).
- Unnecessary discounts and coupons being used.

Opportunities

- **We are in the middle of consultation for renovations and will bring the shop and showroom up to date. Hopefully it will entice others to come work for us with a new facility and newer amenities. Also bring up the moral in the shop.**
- **With the renovations designate a was bay for service clients.**
- **New shop equipment that the techs will want to utilize (alignment machine example)**
- **Create a service lane drive with the new renovations and attach both buildings (currently do not have one and service is a separate building from sales making)**
- **Establish a sales and service relationship.**
- **Invest in our techs give them the technology and tools they need to help them**
- **Purchase a car caddy to help with the various comments of them having to manually push them in.**
- **Hire warranty admin to alleviate the svc manager from that and let him manage the shop**
- **Create an A & B team splitting the shop and the advisors in pairs to help manage dispatching work.**

Objectives

- Increase over all shop health and moral
- Increase labor sales per RO
- Increase items sold per RO
- Organize the appointment coordinating system and workflow for the day
- Hire or train a shop foreman to help dispatch accordingly
- Create a daily process for the service advisors to follow along with techs. Currently none in place
- ELR objectives on a weekly basis for service advisors.
- Purchase a car caddy for the techs to move cars
- With the new renovations hopefully get air conditioning in the shop for the techs
- Establish a service lane with the renovations
- Have techs understand the importance of getting used inventory in and out of the shop. To not hold on to tickets for a later "slower" day.

Strategies

- Register my service manager for the service module with NADA. To have him understand my strategies and the why's.
- Train or replace out service appointment coordinator to help shop traffic and flow.
- Spiff employees for technician referrals that come work for us. Pay out at 90 day mark.
- Implement the A & B team system.
- Establish the roll over process and procedures and implement them for any carry over work.
- Cash incentives for service writers over set ELR for the week based on skill set. Currently have two seasoned writers and two new to the business.
- Incentivize parts to get the correct parts in and in a timely manner
- Incentivize Techs to turn used inventory withing 72 hours
- Pay full retail on used inventory RO's turned within 48 hours, after would then become a discounted rate for the tech and advisor.
- Train parts on getting the correct parts in and as expedited as possible.

Tactics

- **Fix internal pricing with DMS and parts. (Currently discounted rate for internal work, we are also in the middle of switching dms to Dealer Track)**
- **Service manager to check daily carry overs**
- **Service manager will be allocated 2000 a month to incentivize as he sees fits to help reach an over all ELR goal set by myself.**
- **Service manger and parts manager to have a daily morning meeting to discuss what parts are still missing from oldest aged RO.**
- **Re arrange parts area. Currently all our parts are in the seconds floor warehouse with shop supplies behind the parts counter. Move shop supplies and replace them with fast moving parts to help down time on the easier jobs.**
- **Supply quick lube bays with those fast-moving parts so they're not waiting for parts to run them down.**
- **With the implementation of A&B team, hopefully alleviate dispatch issues as each team will have an even number and A techs and so forth.**
- **New building implementation meeting if the 11th of October, we look to structure service for an even flow of traffic in and out of the dealer ship. Overall goal is to increase customer service experience. Currently for new customers the current lay out is very confusing and not pleasant at all.**

Objectives / Strategies / Tactics

Action Plan

<u>Task</u>	<u>By Whom</u>	<u>Completion Date</u>
Fix mark up for internal and wholesale pricing	Parts Manager	9-1-2022
Require discount approval password	Service Manager	9-1-2022
Fix internal labor rates (currently discounted)	Service Manager	9-1-2022
Track individual base ELR to achieve 111.00 And spiff accordingly	Service Manager	12-1-2022
Establish A & B advisor and tech teams	GM/ Service Manager	9-1-2022
Adjust schedule timing intervals with XTIME	Service Manager	9-1-2022
Create tech bonus based on used inventory turn	GM/ Service Manager	9-1-2022
Re arrange parts and quick lube tech bays	Parts & SVC Manager	10-1-2022
Hire or designate shop foreman	Service Manager	12-1-2022
Daily parts and svc manager meetings	Parts & SVC Manager	9-1-2022
Shop meetings weekly to discuss miscommunications	Parts & Svc & Gm	9-1-2022

Synopsis

It is clear that we have outgrown our current set up and it is a logistical nightmare in every aspect. From customer to employee, it is just a task to do anything, from parking, finding the correct building to parts locations. We hope with the new building implementation to restructure service and parts. For an easy flow of traffic from customer experience to employee vision of our company. No ac in the shop or service area seems to be a huge issue when interviewing techs that have options around the local market. I have matched and exceeded pay in most cases, but they shop doesn't stand appealing to most. With the new renovations I hope to attract more employees and strive with customer satisfaction.

A quick lane drive through is the goal and hopefully alleviate a lot of the traffic jams and customers parking practically anywhere they can find a spot. Currently techs run around the complete buildings looking for cars as it's a free for all.

Re organization of svc I intend to relief parts with an easier flow of traffic and access to the parts more feasible. The current lay out - all parts are on the second floor and just disrupts productivity having to go up and down to retrieve parts. May hire a parts runner just for techs to alleviate down time waiting for parts in general. Not just ordered parts but physical parts that are located upstairs.

I believe with a new lay out and not a congested workspace all individuals could concentrate on the smaller pictures like ELR and customer satisfaction. Currently things are lost in transition from techs to advisors to parts.

We have a few years before the construction is complete. In the meantime, we will focus on the small details we can handle and make best use of what we have at the current moment.

All advisors will be taking the coupon option away and will need manager approval to do so.

Overall shop health and moral is a concern, understandably so techs refuse to do alignments shop equipment is outdated and a safety hazard. I had this discussion with the owner, and he is buying into my vision. There is a lot of room for improvement currently and we will attack them accordingly. We're not utilizing the shop at its full potential now but most of it is logistical issues with the lay out.

