



Wolfe GMC Buick

Service Department Analysis

Presented for N399

Don Fricker & Quentin Siffledeen

18325 Stony Plain Road
Edmonton, Alberta
T5S 1C6

Business: 780.486.3333
www.WolfeGMCbuick.com



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| Repair Order Analysis Summary Report | | | | | | | |
|--------------------------------------|------------------|---------------|----------|-----------------------|---------|--------|-------|
| | Sales in Dollars | FRH's on RO's | Averages | Analysis | | | |
| Competitive | \$ 9,811 | ÷ 79.50 | = 123.41 | FRH Average | | | |
| Maintenance | \$ 4,803 | ÷ 35.20 | = 136.43 | FRH Average | | | |
| Repair | \$ 22,717 | ÷ 147.00 | = 154.54 | FRH Average | | | |
| Totals | \$ 37,331 | ÷ 261.70 | = 142.65 | Customer ELR | | | |
| Target Labor Rate | | | 132.56 | Per FRH | | | |
| Total Ro's in Sample | 89 | Difference | | 10.09 | Per FRH | | |
| Cost of Labor | | | | | | | |
| Total Cost of Labor | 9542.15 | ÷ Total Sales | = 25.56% | Percent Cost of Sales | | | |
| Total Cost of Labor | 9542.15 | ÷ Total FRHs | = 36.46 | Cost per FRH | | | |
| Repair Order Measurements | | | | | | | |
| Total Labor Sales | 37,330.53 | ÷ Total ROs | = 419.44 | Avg Labor per RO | | | |
| Total FRHs | 261.70 | ÷ Total ROs | = 2.94 | Avg FRH's per RO | | | |
| Menu Sales | | ÷ Total ROs | = | Percent Menu Sales | | | |
| Competitive FRHs | 79.50 | ÷ Total FRHs | = 30.38% | Percent Competitive | | | |
| Maintenance FRHs | 35.20 | ÷ Total FRHs | = 13.45% | Percent Maintenance | | | |
| Repair FRH | 147.00 | ÷ Total FRHs | = 56.17% | Percent Repair | | | |
| One item ROs | 0 | ÷ Total ROs | = 48.00% | Percent One Item RO | | | |
| Model Year Analysis | | | | | | | |
| 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | Older | Total |
| 0 | 0 | 5 | 10 | 12 | 13 | 60 | 100 |
| 0.00% | 0.00% | 5.00% | 10.00% | 12.00% | 13.00% | 60.00% | |

Labor Mix

| | | |
|-----------------------|-----------------------|------------------|
| ■ Percent Competitive | ■ Percent Maintenance | ■ Percent Repair |
|-----------------------|-----------------------|------------------|

Observations:

- 48% one-line orders, goal is 25% then 15% and hold at 15%
- Competitive labor is \$8.59 lower than target of 140.25
- Maintenance labor is \$3.82 lower than target of 148.50
- Repair labor is \$22.34 off of door rate, Why???





Strengths

1. We have mostly long-term technicians with a great training plan for growing our own future techs. Two of our Service Advisors have been with us over 15 years. Reception and Supervision teams have between 10 and 20 years of experience with our company. We have a very stable service team.
2. We have a great location there are many new dealerships being built and renovated in our neighborhood. There is great access to main roads and freeways close by.
3. We have room to grow, our shop is not at full capacity, and we have access to two sister stores if needed to ensure all the customer requests are met.
4. We are working to centralize our BDC so we had additional bench strength for sick days and holidays, and we can shift our reps to focus on the shop with availability at that time. This will standardize the costs for services offered.
5. We have adopted a video recording process whereby the customers get a video showing failure and passing results.
6. We have a new director of people and culture, HR. We are working on programs to improve work life balance for our staff.
7. Our shop has five bays set up for medium duty work, we have a unique advantage over other similar dealerships.
8. We have two shop foremen, one specializing in medium duty work and the other in automotive work.

Weaknesses

1. Our customer satisfaction numbers are a bit low and very unstable. We need to work on our process for coaching our customer into rating us as completely satisfied.
2. Our business development center has been weak or broken for months causing the shop loading to be weak.
3. We have lost several home-grown long-term technicians due to lack of work. At this time, we are looking for three licensed technicians.
4. There are no rental cars given out to our service customers.
5. Communication between departments is weak at times. No sales to service handoff process.
6. Poor detailing area lacks trained employees, power polishing is out of our skill level.





Opportunities.

1. Our dealership is located close to residential and commercial areas, there is a large neighborhood growing up around us.
2. There is a large shopping complex across the street with two of its entry and exit gates facing our building.
3. We have a large fleet sales customer list that has never been data mined for opportunities. This can be a target for marketing service work. If needed late hours can be offered,
4. We have a great social media team that can spread our message in target areas like Medium and fleet.
5. Our business frontage has become more traveled with the addition of the new dealership beside us, there is more potential to improve our image and capitalize on more awareness.
6. We need to put our Apprentices on a production bonus, making their production becomes important to them before they go on flat rate.
7. Our customer retention and CSI has dropped with our BDC dysfunction. We have hired a new team and training is under way. This will increase workload dramatically.
8. We have hired a BDC manager that understands our sales goals and is beginning to contribute, looking forward to all the teams having continued success.

Threats.

1. New Dealership opening right beside us, their building makes our look old.
2. parts supply has been slow frustrating our customers, they may be shopping elsewhere.
3. EV wave is coming fast, we may not be ready or trained or have proper tools.
4. Much stronger competition for available technicians, the demand is high.
5. Marketing from tire stores seems to be more alluring than our offerings.
6. Other manufacturers are getting more market share due to the lack of vehicle supply from GM.
7. Our customer base has depleted due to lack of contact from our BDC.
8. The primary sales at our GMC Buick dealership is trucks, the price of fuel is pushing our customers to the smaller car market, we don't really have a player in the game at this point.





Objectives

1. Lower the one-line RO percentage, we are at 48% step one goal will be 25% step two 15%.
2. Improve inspection penetration from 35% to 50%, look at offers.
3. Improve Apprentice and mentorship program in effort to create urgency and intensity for production.
4. Hire two more technicians for the general repair shop.
5. Determine how much mechanical repair labor is fleet and if needed look at rates. (Fleet may be too low)
6. Grow the commercial and fleet department area, there are empty bays there.
7. Improve the GP on labor from 72% to 75% by raising prices and building better value for goods supplied.
8. Perfect a Sales to Service handoff.
9. Create automated tasks that escalate to manager if not completed.

Strategies

1. Train and bonus for more lines per Repair Order, service advisors need to sell more.
2. Review SA pay plan to incentivise total RO sales, this will include parts and well as labor.
3. Track Apprentice production and coach for more productivity.
4. Increase OELR by finding the discounting and raise prices or lower flat rate paid where possible.
5. Work with the parts department to speed up the back counter it is a choke point currently.
6. Remove permissions from service advisors to prevent further discounting on all labor types.

Tactics

1. Service Manager to perform 50 RO analysis weekly and coach the front-end staff on additional sales per RO.
2. Run a contest with prizes for most improved inspection and video penetration.
3. Implement and monitor mentorship and training program to improve skills and foster longevity of technical staff.
4. Reach out to out of province recruiting pathways and continue to add staff in the shop.
5. Hold weekly meetings with marketing and BDC staff to increase this part of our business.
6. Raise prices where possible to retain a 75% labor margin.



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Action plan

| <i>Task</i> | <i>By Whom</i> | <i>Completion Date</i> |
|--|---|--|
| Review 50 ROs weekly | Service Manager | Immediately for 3 months |
| Display Tech productivity. | Shop Foreman | Every month end. |
| Post hours produced with pay period targets, ex 1500 hrs per period. | Shop Foreman and service manager. | Aug 30 2022. |
| Ensure proper use of DMS for workload distribution and efficiency. | Shop office staff/dispatcher. | Sept 30 2022 |
| Daily review of the exception reports, looking for discounting. | Service Manager | Daily until problem is found and rectified and changes are in place. Monthly after that point. |
| Integrate service reception staff with BDC | Service Manager BDC Manager And staff of both areas. | Sept 30, 2022 |
| Create marketing strategy for Medium Duty truck shop. | Service Manager and marketing staff. | Sept 30 2022. |
| Implement sales to service handoff. | Sales and Service Manager | Sept 30 2022 |
| | | |



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Synopsis

We sold an Isuzu franchise that we had for several years. This started a mass exodus of technicians starting of course with the techs that worked on these vehicles. With the sale we lost many of the specialty shop tools required to repair the fleet and medium duty trucks we work on. Several more technicians became frustrated and found other employment, some in straight time jobs.

The gradual decline and eventual failure of our BDC caused lack of work to be the common lunch time discussion. This resulted in more loss of long-term home-grown techs.

We have A BDC manager in place and hiring personnel is underway. Training and recruiting apprentices and technicians is aggressively underway. We have two shop foreman and a technical service manager in place to create a positive productive workplace.

Our first and most urgent goal is to increase hours sold per month. This shop has routinely produced over 4000 hours monthly, at this point we are generating around 2400. More technicians are needed to attain the number we are seeking but with training and motivation we are looking to reach the 3000-hour mark.

One line Repair orders is our second biggest opportunity. We can take on more maintenance and competitive work. We have six apprentices and lube techs these folks can handle more work at their skill level. We have an oil change for life program in place We will be studying compliance to the requirements.

Lastly our customer retention can be improved by executing a solid Sales to Service handoff. We need all department working together towards a common goal which will in turn be a key to a successful Service department and a thriving dealership.



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