

Service Department Analysis for Apple Subaru York, PA.

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Current Practices:

1. Hours of Operation are 7:30am to 6:00pm Monday thru Friday. And 7:30am to 2:00pm on Saturdays. Closed Sundays.
2. Main shop and Express Lanes are performing MPI's 100% of the time.
3. We currently have three Service Advisors. One is dedicated to all Internal RO's as well as regular traffic. The other two work on everyday traffic.
4. Our shop operates with 9 Flat Rate Techs and 2 Express Techs.
5. We utilize a Service BDC.
6. Our daily goal is 50 RO's per day.
7. Advertise daily specials on our website.
8. Complimentary car wash with every service.
9. Hand out Trade up Flyers to qualified Trade up Customers.
10. Introduce customers to service advisors and set first oil change appointment.

Goals for Improvement:

1. Improve our trade up process to make sure service is on board with flyer handouts.
2. Increase our tech count from 11 to 14 by March 2023 providing business dictates needing 14 techs.
3. Improve communication between service BDC and advisors.
4. Consider longer hours for Saturday.
5. Offer evening hours to techs for internal work.

Plans to Achieve our Goals:

1. Speak with service manager to get him on board with the process of attaching a trade up offer with every R/O.
2. We are currently running ads for techs. As well as having job fairs.
3. Schedule a meeting with our service manager and BDC supervisors to go over our service schedule process and how we can improve this area.
4. Have a meeting with our techs to see who would like the opportunity to earn more income.

Plans to evaluate our process

1. I personally feel the best way to evaluate our process is through communication throughout all departments.

2. Hold weekly meetings with service advisors to insure all of our processes are being enforced.
3. Review service numbers daily.

Marketing:

1. Continue to advertise on our website offering discount coupons.
2. Send out email blasts to current and non-current customers.
3. Advertise on our website that we service non-brand cars and trucks.

Facility Potential and Utilization

FACILITY POTENTIAL	
Number of Bays	15
	x
Number of Days	23.5
	x
Number of Hours	10.5
	x
Effective Labor Rate	111.08
FACILITY POTENTIAL	\$ 411,135

FACILITY UTILIZATION	
Total Labor Sales	\$ 187,523
	÷
Facility Potential	\$ 411,135
	<i>equals</i>
FACILITY UTILIZATION	45.61%

Productivity

NADA ACTUAL SERVICE ANALYSIS					
Performance					
	Labor Sales / Month		Hourly Labor Rate	=	Hours Billed
Customer Car*	\$ 135,999	÷	111.99	=	1214.4
Customer Truck*		÷		=	0.00
Customer Other*		÷		=	0.00
Warranty	\$ 17,275	÷	123.74	=	139.6
Internal	\$ 25,469	÷	101.34	=	251.3
New Vehicle Prep	\$ 8,780	÷		=	0.00
Total	\$ 187,523				1605.3
POTENTIAL					
	\$ 187,523	÷	1605.31	=	\$ 116.81
	Total labor sales for month		Total hours billed		Effective Labor Rate
	11.00	x	11	x	24 = 2,714.3
	# Service mechanical technicians		# Hours/Day		Working Days/Month
	2,714.3	x	\$ 116.81	=	\$ 317,062
	Clock Hours Available		Effective Labor Rate		Labor sales potential
How proficient are your technicians ?					
	1,676.0	÷	2,197.30	=	76.28%
	Hours Billed		Hours Available		Tech Proficiency
Customer labor divide by the Customer Effective Labor rate from the R. O. Analysis					

Our productivity could be much better. Tech proficiency is low due to the lack of billed hours.

Increasing our R/O count will increase will effect billed hours thus increasing our tech proficiency.

Cost of Labor

Service Department Sales and Gross Labor Only

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 135,999	\$ 105,133	77.30%	72.52%
Customer Truck			0%	0%
Customer Other			0%	0%
Warranty	\$ 17,275	\$ 12,958	75.01%	9.21%
Warranty Other			0%	0%
Internal	\$ 25,469	\$ 20,190	79.27%	13.58%
NVI / Road Ready	\$ 8,780	\$ 6,675	76.03%	4.68%
Adj. Cost Of Labor			0%	0.00%
Total	\$ 187,523	\$ 144,956	77.30%	100.00%

Our service department does a great job with regard to Gross as a percentage of Sales.

Warranty percentage is slightly under where we need to be. But good numbers all around.

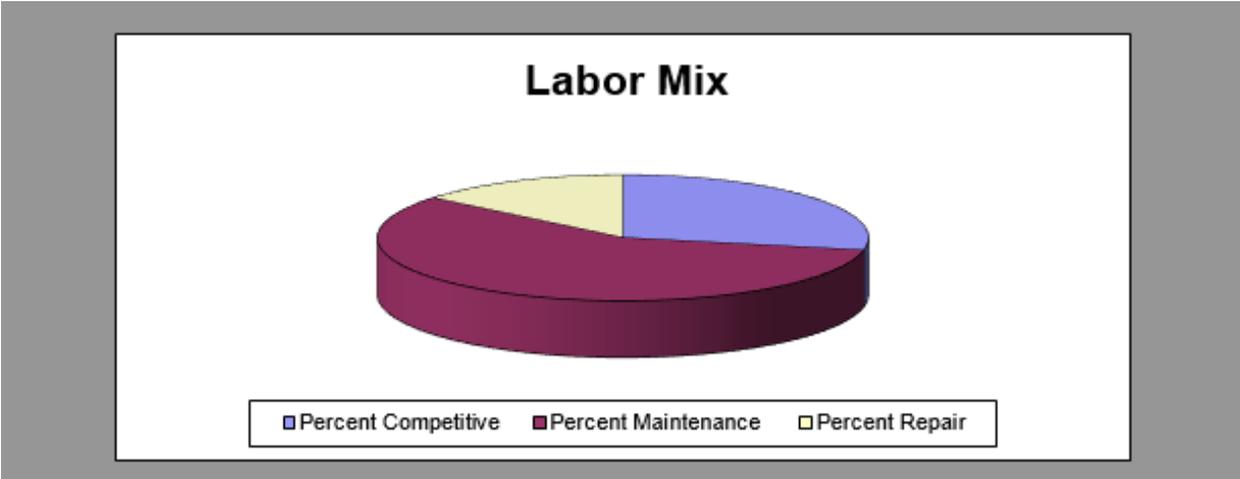
Expense Structure

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 187,523		
Variable Expense		0.00%	
Selling Expense	\$ 43,913	23.42%	
Personnel Expense	\$ 54,454	29.04%	
Semi-Fixed Expense	\$ 44,292	23.62%	
Fixed Expense	\$ 14,720	7.85%	
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	\$ 157,379	83.93%	
Net Profit	\$ 30,144	16.07%	

Continued Expense Structure

My service department does a pretty good job generating net profit month over month.

Where we fall short is hours billed. With a few more techs and more hours billed I feel this will offset some expense costs and increase net.



Repair Order Analysis Summary Report							
	Sales in Dollars	FRH's on RO's	Averages	Analysis			
Competitive	\$ 7,482	÷ 70.40	= 106.28	FRH Average			
Maintenance	\$ 4,738	÷ 144.40	= 32.81	FRH Average			
Repair	\$ 5,061	÷ 35.20	= 143.78	FRH Average			
Totals	\$ 17,281	÷ 250.00	= 69.12	Customer ELR			
Target Labor Rate			125.95	Per FRH			
Total Ro's in Sample	100	Difference		-56.83	Per FRH		
Cost of Labor							
Total Cost of Labor	4869.00	÷ Total Sales	= 28.18%	Percent Cost of Sales			
Total Cost of Labor	4869.00	÷ Total FRHs	= 19.48	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	17,280.67	÷ Total ROs	= 172.81	Avg Labor per RO			
Total FRHs	250.00	÷ Total ROs	= 2.50	Avg FRH's per RO			
Menu Sales		÷ Total ROs	=	Percent Menu Sales			
Competitive FRHs	70.40	÷ Total FRHs	= 28.16%	Percent Competitive			
Maintenance FRHs	144.40	÷ Total FRHs	= 57.76%	Percent Maintenance			
Repair FRH	35.20	÷ Total FRHs	= 14.08%	Percent Repair			
One item ROs	21	÷ Total ROs	= 21.00%	Percent One Item RO			
Model Year Analysis							
2023	2022	2021	2020	2019	2018	Older	Total
0	7	9	7	17	13	47	100
0.00%	7.00%	9.00%	7.00%	17.00%	13.00%	47.00%	

SWOT ANALYSIS

Strengths:

1. Awesome People
2. MPI's being performed 100% of the time
3. High Fix it right the first time percentage

4. Sense of pride from our employees
5. Awesome team foreman

Weaknesses:

1. Morale can be low at times
2. Lack of proper training for service BDC agents
3. Internal used car recommendations not being approved
4. Too much wasted time
5. Hours billed
6. Communication

Opportunities:

1. Dedicated express lane
2. Customer relationships
3. Service advisors setting their own appointments
4. More hours billed
5. U/C Internal gross

6. Less one line R/O's

Threats:

1. Morale
2. Not enough work to go around at times
3. Inner department communications

Action Plan:

Task	Role/ Employee	Completion Date
Lessen 1 line R/O's	Service MGR/Advisors	2/1/23
Add three Tech's	Corp/Service MGR.	3/1/23

Add available hours for internal work	Service MGR/Service Director	1/1/23
Hours Billed	Service MGR/Advisors/MPI's	2/1/23

Synopsis:

What I have noticed going through this Service Department Evaluation is that without good hardworking honest people, things could be much harder. Our service department is profitable every month. But we are leaving too much meat on the bone. We have a lot of work to do relating to tech proficiency. This can be accomplished by selling more hours. We need

to decrease wasted time. The relationship between our service manager, advisors and tech's could use some improvement.

Overall, I feel we have a great base to work with. If we can tweak a few things and stay on the processes that we put into place, we can for sure effect change in a big way. Not only bottom line increases but overall employee confidence.