

SERVICE DEPARTMENT ANALYSIS

Berkeley Ford

Keon Rhodan

Class N403

Qualitative Analysis

Strengths

1. Brand new Image compliant facility
2. Location is at center of population growth
3. Ample amount of veteran service techs for mentoring of younger techs
4. Calm, Friendly and respectful culture amongst employees
5. Service Manager listens to complaints and takes advice from Techs
6. Knowledge of 20 year Ford retired executive as Fixed Ops Director
7. Nearest competitor is 5 miles away

Weaknesses

1. Implementation and follow up of new processes
2. Distribution of work to over experienced techs
3. Techs feel Work not being given out evenly
4. Dispatcher improvement
5. No clear designation of who is in charge
6. Standard jobs are taking too long
7. Service writer not techs are upselling
8. Over Managing employees
9. Communication between departments

Opportunities

1. Set up career ladder for employees
2. Provide training for all employees in (to include cross training, upselling, etc...)
3. Track missed sales and work on improving
4. Work on techs proficiency
5. Increase marketing budget to reach market area

Threats

1. Lack of training
2. Importance of Safety in Shop
3. Cell Phone usage inside Shop
4. Ability to retain customers
5. Scheduling customers too far out
6. Techs not completing work in recommended hours
7. Limited amount of techs for dealership market share
8. Negative Google reviews may affect potential to get new customers

Objectives

1. Decrease the number of 1-item R.O.'s
2. Improve Techs Proficiency
3. Improve dispatching of jobs (right tech for the right job...)
4. Improve techs training and mentorship opportunities
5. Improve Customer Service Experience for customers
6. Increase R.O. Gross sales on individual R.O.'s

Strategies

1. Develop a path for Career Ladder for each tech skill level
2. Establish an open-door policy for techs
3. Track Tech proficiency daily
4. Develop partnership with local Tech schools to recruit techs
5. Require Sales to introduce Buyers to advisors after purchase for customer retention
6. Increase number appointment hours set by advisors

Tactics

1. Develop Tiered bonus system for techs
2. Implement policy preventing advisors from self-diagnosing in Lane
3. Plan monthly and/or quarterly service meeting with staff off premises
4. Adjust Technician staffing to account for weekend customers' demands
5. Remove ability of Advisors to discount labor or parts
6. Implement customer pick-up and drop-off system being pushed by manufacturer

ACTION PLAN

<i>Task</i>	<i>Role</i>	<i>Completion Date</i>
Create new Bonus Pay for techs	GM/Service Manager	Jan 1
Sales Training for Advisors	Service Manager	Weekly
Establish Career Ladder Steps	General Manager/ Service Manager	Jan 1
Weekly Service meetings	Service Manager	Weekly
Market service to outside customers	General Manager/ Service Manager	Jan 1
Adjust pricing adjustments permissions	Service Manager	Jan 1
Hire 2 valet employees	General Manager/Service Manager	Jan 1
Establish Signing bonus for Techs	General Manager/Service Manager	Jan 1
Create C.S.I . Follow up for advisors	General Manager/Service Manager	Daily
Set up Tech Mentor/Mentee teams	Service Manager	Jan 1

Synopsis

When evaluating Berkeley Ford's Service Department for the month of August 2022, it becomes evident that improvement is needed in all areas. The profitability of the department is directly affected by the correlation of one item R.O.'s coming through the service dept. After evaluation of 100 consecutive R.O.'s it was found that 49 of 100 were one item R.O.'s. This is highly unacceptable. It shows that Advisors are not upselling work because of either not getting proper info from Techs at diagnosis, not enough sales training or simply lack of motivation to upsell. Regardless, this percentage is XTREMELY high and is a red flag.

The service techs are not being utilized to the best of their ability. Experienced techs are being given jobs that lower skill level techs can be trained to do. Proper training can ensure that lower skill level techs can learn their job properly and began to move upward and learn higher skill level jobs. Setting up a proper career path will motivate everyone once they see what is required of them for upward mobility.

Customers are not being billed for diagnostic work properly. We are charging customers maximum of 1 hour of diagnostic AND using our A techs and then discounting the hour off the job we are performing. We must charge for ALL our time! If diagnostic must be found, we need to preauthorize with customer up to 2-3 hours beforehand and charge separate charges for the actual repairs. It is not wrong to charge for our time.

Techs are complaining that not enough hours are being clocked however Advisors are telling customers it will be months out before we can take new appointments. Somehow there is a disconnect with jobs being disbursed, jobs completed and available hours. We shouldn't have to send customers away if we have idle techs or techs that aren't getting their hours. We must get this under control.

Customer service satisfaction is not where we need to be at. We must work on our customer satisfaction scores; not only to gain market share but also to maintain the existing customers we do have currently. The service department personnel must understand the importance of positive customer interaction.

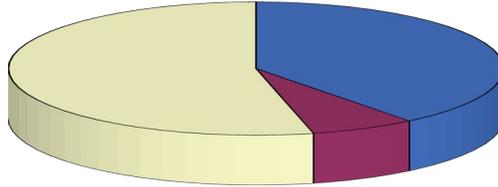
By focusing on the above things, we can AND will get the service department where we need it to be. This will allow our service department to not only be profitable but also be as proficient as possible to get as many customers we can cars through the shop in a timely manner.

Repair Order Analysis Summary Report

		Sales in Dollars		FRH's on RO's		Averages	Analysis
Competitive		\$ 5,578	÷	104.60	=	53.33	FRH Average
Maintenance		\$ 1,281	÷	18.30	=	69.98	FRH Average
Repair		\$ 19,429	÷	142.70	=	136.15	FRH Average
Totals		\$ 26,287	÷	265.60	=	98.97	Customer ELR
					Target Labor Rate	124.10	Per FRH
Total Ro's in Sample	100				Difference	-25.13	Per FRH
Cost of Labor							
Total Cost of Labor		8248.89	÷	Total Sales	=	31.38%	Percent Cost of Sales
Total Cost of Labor		8248.89	÷	Total FRHs	=	31.06	Cost per FRH
Repair Order Measurements							
Total Labor Sales		26,287.23	÷	Total ROs	=	262.87	Avg Labor per RO
Total FRHs		265.60	÷	Total ROs	=	2.66	Avg FRH's per RO
Menu Sales			÷	Total ROs	=		Percent Menu Sales
Competitive FRHs		104.60	÷	Total FRHs	=	39.38%	Percent Competitive
Maintenance FRHs		18.30	÷	Total FRHs	=	6.89%	Percent Maintenance
Repair FRH		142.70	÷	Total FRHs	=	53.73%	Percent Repair
One item ROs		49	÷	Total ROs	=	49.00%	Percent One Item RO
Model Year Analysis							
2023	2022	2021	2020	2019	2018	Old	

0	4	10	7	11	11	57
0.00%	4.00%	10.00%	7.00%	11.00%	11.00%	57.00%

Labor Mix



■ Percent Competitive ■ Percent Maintenance ■ Percent Repair

