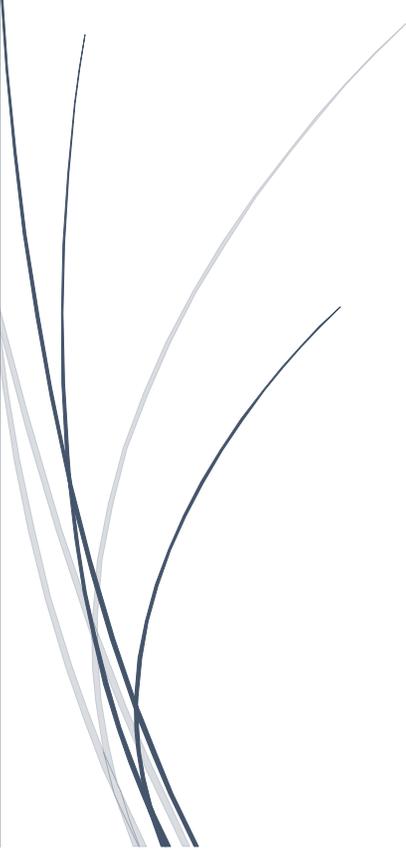




11/25/2022

SERVICE DEPARTMENT ANALYSIS FOR BILL PENNEY TOYOTA OF JASPER

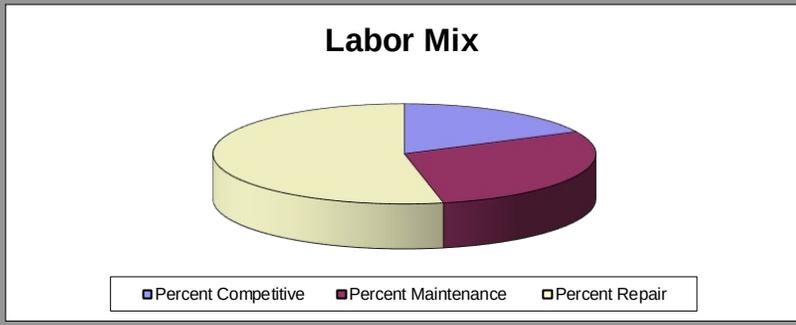
BY: FOSTER COOK CLASS #N404



COOK, FOSTER
BILL PENNEY TOYOTA OF JASPER



Repair Order Analysis Summary Report							
	Sales in Dollars	FRH's on RO's	Averages	Analysis			
Competitive	\$ 2,731	÷ 25.80	= 105.84	FRH Average			
Maintenance	\$ 3,338	÷ 42.20	= 79.09	FRH Average			
Repair	\$ 10,325	÷ 77.50	= 133.23	FRH Average			
Totals	\$ 16,393	÷ 145.50	= 112.67	Customer ELR			
		Target Labor Rate	92.35	Per FRH			
Total Ro's in Sample	100	Difference	20.32	Per FRH			
Cost of Labor							
Total Cost of Labor	3387.50	÷ Total Sales	= 20.66%	Percent Cost of Sales			
Total Cost of Labor	3387.50	÷ Total FRHs	= 23.28	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	16,393.46	÷ Total ROs	= 163.93	Avg Labor per RO			
Total FRHs	145.50	÷ Total ROs	= 1.46	Avg FRH's per RO			
Menu Sales		÷ Total ROs	=	Percent Menu Sales			
Competitive FRHs	25.80	÷ Total FRHs	= 17.73%	Percent Competitive			
Maintenance FRHs	42.20	÷ Total FRHs	= 29.00%	Percent Maintenance			
Repair FRH	77.50	÷ Total FRHs	= 53.26%	Percent Repair			
One item ROs	29	÷ Total ROs	= 29.00%	Percent One Item RO			
Model Year Analysis							
2023	2022	2021	2020	2019	2018	Older	Total
0	0	0	0	0	0	100	100
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	





EVALUATION

Our Labor rate coming in at 112.67 is much lower than our posted door rate of 158.88. We have just gotten one of the largest approved warranty rate increases at \$52 dollars. We have a goal for 2023 of getting above \$200. This is going to take a lot of action and consistency.

We have discovered that there is discounting that is happening as well as old opp codes that are incorrectly priced. We have taken away the ability for advisors to discount without manager approval. We have also corrected all incorrect opp codes in Reynolds.

Our hours per repair order is 1.46.
Our goal is to be above 1.8 by June of 2022.

Our percent of one line repair orders is 29%
After discussing with Jim NADA guide is between 10-15% we are almost double. We need to do a better job of upselling and this all starts at the lane.

STRENGTHS

1. **TEAMWORK-** From the top down we have a team that wants to win and not just be right. Everyone jumps in and helps wherever needed including managers and even owners.
2. **FAMILY ATMOSPHERE-** Third generation ownership that believes in enriching the lives of our employees first then our customers and our community.
3. **QUALITY PAY-** We continue to pay above guide when it comes to compensation at all position based on current market data.
4. **GOOD TECHS-** We have programs in place to cultivate and grow from within as well as partnerships with local schools and colleges to continue to bring in the best talent to our organization.
5. **EXPERIENCED SERVICE DIRECTOR-** our service director has over 20 years of experience in his field.
6. **GREAT MANAGERS-** We have award winning managers at every position in our service department and have just recently promoted one of our Toyota master technicians to our shop foreman to lead our T-Ten and TACT programs.
7. **NEW AND WELL-MAINTAINED EQUIPMENT-** We are constantly upgrading all tools and equipment as new technology becomes available.
8. **HARD WORKING –** We have a never quit mentality
9. **COMPETITIVE-** We do extensive research to ensure we are competitively priced in the market
10. **PROFESSIONAL ADVISORS-** We consult all customers with a consistent message and use our advanced equipment to advise customers on all recommendations
11. **CONTINUED EDUCATION AND PRODUCT KNOWLEDGE-** Our staff is required to complete and be up to date on all Toyota certifications.
12. **VERY COMMUNICATIVE WITH CUSTOMERS (USE OF TECHNOLOGY)-** We use video, phone, text and email to communicate with all of our customers.
13. **VERY FEW COME BACKS-** less than 5% of our repair orders come back for same repair
14. **NEW FACILITY-** Our facility was built less than 10 years ago and was upgraded in the last 2 years
15. **NEW OWNERSHIP-** We purchased this dealership in 2021
16. **MOBILE VAN –** We added a mobile van to our service department to add extra revenue to our department by servicing customers who are unable to come to the dealership for maintenance.

WEAKNESSES

1. LONG HOURS
2. SELF INDUCED STRESS
3. WORKING QUICKLEY TO GET CUSTOMERS INSIDE INSTEAD OF COMPLETING CONSISTANT WALK AROUNDS
4. NOT ANSWERING PHONES QUICKLY OFFSITE BDC ADDS TO CHALLENGES
5. CLEANLINESS OF CARS RETURNED TO CUSTOMERS
6. QUALITY TRAINING FOR QUICKLUBE TECHS
7. REVIEWING PRICING OF WORK DONE
8. WARRANTY LABOR RATE VERY LOW COMPARED TO COMPETITION
9. NO NON-DEALER COMPETITIVE PRICING BOARDS DISPLAYED FOR PARTS OR SERVICE ITEMS

OPPORTUNITIES

1. Availability for advancement in company with multiple stores
2. Grow our customer retention number from 30% to over 50%
3. Better job of employee and dealership recognition through advertising.
4. Growing our Bill Penney name and being more involved in the community
5. Quality of work vs local competitors
6. Maximizing time "slow down to speed up"
7. Limit advisor opportunities to maximize performance
8. Install a non-dealer competitive pricing board in the service drive

THREATS

1. Other mom and pop shops in our area are always trying to undercut pricing but with very subpar work. Cheaper seems to be winning short term
2. Small town trust issues with big town dealership coming in and purchasing store
3. A lot of shade tree mechanics in the area
4. Staff is not used to training and technology
5. Previous owners have multiple buy-here/pay-here used lots and trying to open up repair shop under different investors to not break their non-compete agreement



OBJECTIVES

1. Increase our repair orders
2. Improve training for technicians, advisors and management
3. Improve gross on all repair orders from \$200 avg to over\$250
4. Tweak advisors pay plan with spiffs in place for different kpi targets
5. Utilize our mobile van for TLEe customers to continue to increase our retention numbers
6. Have more philanthropy in the community

STRATEGIES

1. Monthly shop of non-dealer competitive pricing board in our customer lounge area
2. Monthly competitive mystery shopping of our own and competitor's websites
3. Have our shop foreman speak to everyone everyday on their current KPI's and report to director
4. Managers conduct daily quality checks on serviced vehicles
5. Have Reynolds change the ability for our advisors to discount anything without manager approval
6. Hire and train another technician for our mobile van to run full time
7. Schedule a philanthropy event every month for 2023

TACTICS

1. Concerted marketing effort between all stores, highlighting achievements, philanthropy and targeting the market with specific discount messages and coupons to drive traffic.
2. All discounting must be approved by a manager
3. 100% walkaround with every customer every time.
4. Bonus the managers and staff on KPI's hit weekly to continue to drive consistency.
5. Have our TLEe score, key performance products sold, and time spent waiting posted at the beginning and end of each day in the tech, advisor and service lounges.
6. Continue discussing all operating procedures and opportunities in our daily huddles and weekly meetings.



FIXED OPERATIONS 2 SERVICE

TASK	BY WHOM	COMP DATE
START RECORDING MARKETING VIDEOS	STREAM ADVERTISING	JAN 28 2023
ADJUSTMENT TO SPIFFS AND BONUSES	GM/SERV MGR.	DEC 31 ST
UPDATE TECHNICIAN BONUS PROGRAMS	GM/SERV MGR.	DEC 31 ST
INSTALL NON-DEALER COMPETITIVE PRICING BOARD	TODD MAYNOR	DEC 31 ST
IMPLEMENTATION OF NEW TRAINING SCHEDULE	SERV MGR.	JAN 1 ST
WEEKLY SERVICE MANAGER MEETING	GM	WEEKLY
WEEKLY PARTS MANAGER MEETING	GM	WEEKLY
DELETE OUTDATED OPP CODES	PARTS/SERV MGR.	DONE
REMOVE ABILITY IN REYNOLDS TO DISCOUNT	MASON REY&REY SUPPORT	DONE
HIRE FULL TIME MOBILE VAN TECH	SERV MGR.	DEC 15 TH
SPECIFIC NEWSLETTER, RADIO/TV ADVERTISING ON SPECIFIC PHILANTHROPY EVENTS EVERY MONTH OF 2023 TO GROW COMMUNITY INVOLVEMENT	STREAM ADVERTISING	JAN 4 TH



FIXED OPERATIONS 2 SERVICE

It is very clear that family and community involvement is very important in our town. With us being a 3rd generation ownership, this is something we take pride in and do very well. With us now running 3 of the 6 manufacture dealerships in town this year will be very important for us to show the town how we are. There has been a lot of mistrust over the last 30+ years of operation and we could make a major difference. In this town there are over 20 buy here/pay here lots our quality of work and brand will stand out tremendously. Our efforts with hiring more staff, new pay plans, better training, upgraded technology and tools, adding rental program through Toyota and finally a mobile van is moving things in the right direction. We have a staff that is very eager to work, learn and grow and we intend to maximize those desires.