

Service Department Analysis for Star Nissan

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NADA Qualitative Analysis

Strengths

1. **Ability to learn:** due to our talent pool and management philosophy
2. **Time Management:** due to our high volume of customers and shortage of capable help
3. **Communication (+3):** I believe the communication was greatly improved after construction. We underwent the new NREDI 2.0 image and arguably the most crucial part of the redesign was the back counter which gained a larger dispatch window and a door that goes straight into the shop. It saved a tremendous amount of time from using the customer entrance door only- and also likely improved communication as a result
4. **Teamwork (+5):** It seems as if we have a pretty cohesive unit here on the Nissan side. Like any other shop, we still have our chemistry battles but for the most part the team agrees that teamwork is still a strength.
5. **Experienced technicians (+2):** We have many long-tenured technicians who are proficient in their field. My concern is this core unit is aging and aging quickly. 5 of my main guys are around 60 years or older.
6. **Tire check at entrance:** This was part of the renovation. We installed the latest alignment checker along with tire tread depth reader that prints the results out right after driving through our drive-thru. I'm glad to see this brought up as a strength.
7. **Flexibility:** This seems like a strength but also may be too lenient so I'll have to watch this carefully.
8. **Easy to give discounts (+1):** This shouldn't necessarily be the case as discounts are password-protected so I will look into this. Nonetheless, we are on a journey to lead in KPI and customer satisfaction.
9. **Welcoming environment:** The new NREDI 2.0 Image for our store

Weaknesses

1. **High Prices on jobs and service (+3):** *We have steadily and consistently been increasing our door rate every year.*
2. **Tools (+3):** *CONSULT machines were mentioned here- we may have to bite the bullet and order more so we can rid of this excuse.*
3. **Parts Supply (+3):** *This is a bit out of our control but can review with our Parts team.*
4. **Communication (+2):** *This was mentioned as a strength as well, we will look to improve it further.*
5. **Loaners (+4):** *This was mentioned many times and we must find a better solution.*
6. **Receptionist (+3):** *This seems to be a sure bottleneck and we must address it.*

Opportunities

1. **Keeping staff motivated:** *I think we have been pretty creative in creating motivating pay plans. However, I'm sure there are other ways we can work in to keep everyone motivated.*
2. **Shop chemistry:** *Always a work in progress.*
3. **Parts availability:** *This is largely out of our control but there are steps we can take to improve.*
4. **Customer relations:** *This is part of our "Star Nissan rebrand" that has already begun.*
5. **Training (+2):** *We were confused to see this as we are extremely proactive when it comes to training opportunities for our technicians.*
6. **More 1-on-1 meetings (+2):** *This is something we will aim to implement more regularly.*
7. **Advertising (+3):** *This is something we aim at attacking from a new angle as well.*
8. **Educating customers:** *"Selling the green" and building trust by fully and clearly explaining the function of parts as it pertains to the customer's concern/repair.*
9. **Shared experiences dealing with an issue:** *I will loop this in with training.*
10. **Standalone shuttle service:** *This is something to consider but the initial feedback from management is that this is not a major issue at the moment. I will look into it nonetheless.*

Threats

1. **Back order parts:** This is a true threat, especially in an area like ours that is surrounded by independent/aftermarket shops.
2. **Scared to speak up if there is an issue (+1):** This is a major threat and weakness that we must address. It's also a concerning indicator of our culture.
3. **Fixed Right the First Time (FRFT) (+1):** We have made tremendous strides here but this is the biggest reason for customer defection and we must stay on top of it.
4. **No road tests (+1):** We need to do better here. It's no excuse that we are tight on space with traffic filled roads in the city. We still need to road test cars whenever we are able to.
5. **Customers walking freely in the shop:** This is a liability and safety concern that will be addressed immediately.
6. **Dealers with loaners:** We need to come up with a loaner solution.

Objectives

1. *Improve shop chemistry*
2. *Become more approachable*
3. *Create a more convenient experience for customers with lengthy repairs*
4. *Improve quality control*
5. *Determine if we are pricing ourselves out of the market*
6. *Limit tool loss/issues*

Strategies

1. *Monthly shop meetings*
2. *1-on-1 meetings with technicians and advisors*
3. *Address loaner situation*
4. *Improve quality control by holding advisors accountable as well*
5. *Conduct market analysis for pricing*
6. *Perform tool inventory*

Tactics

1. We will conduct monthly shop and advisor meetings on the 1st of every month to increase shop cohesion and communication
2. Every quarter (specifically on the 15th), we will have 1-on-1 meetings between the Service Manager, the Service Director, and each employee. This will make it easier for them to voice concerns, but also will allow us to do a performance review that helps our technicians reach their and our individual goals
3. I will work with the Dealer Principal to find a more amicable solution in an environment where most service customers are given loaners. This could end up being a major threat to our business and we should have a solution--especially with customers who are spending thousands of dollars and waiting days or weeks for their repairs to be completed
4. All ROs over \$1,000 will be road tested by the advisor and the technician to ensure multiple parties are on the same page regarding the vehicle and its repair
5. I will conduct another market analysis for labor rate and competitive service pricing so we know we aren't significantly higher than that of our competitors. This will happen in Q1 2023
6. After each monthly shop meeting, our Service Manager (Ronnie) will do an inventory of the tools. Doing it right after the meeting will make it routine and limit potential loss/theft

Action Plan

<u>Task</u>	<u>By whom</u>	<u>Completion date</u>
Monthly Shop/Advisor Meetings	Ronnie Morales	1 st of each month
1-on-1 meetings	Alex Collao, Ronnie Morales	Mar 15 th , June 15 th , Sep 15 th , Dec 15 th
Loaner solution	Me, John Jr.	Q1 2023
Quality Control advisors/techs	Ronnie Morales, me	in effect
Market Analysis	Me	Q1 2023
Tool Inventory	Ronnie Morales	1 st of each month

Synopsis

All things considered, I believe our Service department is performing very well. In comparison to the other Nissan dealers in the area, we boast a higher fixed absorption at around 90% and also have the highest qualified repair order count in the district. Our KPI scores have steadily risen from the depths of an 810 average to 920 month to date! It is a truly massive increase that shows me that our “rebrand” is working. With that being said, the survey opened our eyes to many things that require immediate improvement. With the action plan above, I believe we will continue our rebrand which will position us to be a volume and customer-experience leader in New York City. As it stands, I believe I have the chance to make my Dad the first 3-time Owner First Award of Excellence winner for Nissan in the city (and the only to win it multiple times!). That is my goal from this; and if Service performs, he will win the Nissan Global Award- his first Nissan award since 2002. I think that would make him very proud.