

SERVICE DEPARTMENT
QUALITATIVE ANALYSIS FOR
SUBURBAN TOYOTA OF TROY

DAVE GOTTSCHALK #14

N407

STRENGTHS

-BUSY LUBE RACK

-3 MASTER TECHS (2 MORE IN TRAINING)

-INCREASING LABOR SALES

-LABOR RATE INCREASE (\$160 TO \$165)

WEAKNESSES

-NOT UTILIZING X-TIME

-VIDEO MPI'S

-LANE GREETINGS

-LUBE RACK UPSELLS

OPPORTUNITIES

-5 AVAILABLE LIFTS IF TECHS EACH GET 1

-SMART VMA MENU USAGE

-ONLINE PAYMENTS THROUGH REY-PAY

-CONSOLIDATING SHUTTLE DRIVER USAGE

-MAXIMIZING RED-CAP USAGE

THREATS

**-CUSTOMERS NOT RECEIVING WRITTEN QUOTES VIA X-TIME.
LIABILITY.**

**-STRONG JOB MARKET IN METRO AREA. TECH'S BEING HEAVILY
RECRUITED.**

-SATURATED METRO MARKET.

-PERSONNEL EXPENSE IMPACTING DEPT. NET.

-YOUNG INEXPERIENCED SERVICE MANAGER.

OBJECTIVES

-IMPROVE CUSTOMER EXPERIENCE BY HAVING ADVISORS GREET CUSTOMERS IN THE LANE.

-OFFER PICKUP AND DROP OFF SERVICE OF CUSTOMER VEHICLES 100% OF THE TIME.

-CHANGE ADVISOR PAYPLANS TO A DRAW AGAINST COMMISSION (ALREADY STARTED PROCESS).

-INCREASE HOURS PER RO FROM 1.2 TO 1.7, INCLUDING QUICK LUBE

STRATEGIES

-REDUCE PERSONNEL EXPENSE BY STAFFING CORRECTLY.

-TRAIN TECHNICIANS TO INCREASE LIFT PROFICIENCY.

-START AN APPRENTICE PROGRAM WITH CLASS D TECH'S TO BUILD UP OUR STAFF STRENGTHS.

-RETAIN MASTER TECHNICIANS

-INCREASE TECHNICIAN EFFICIENCY.

-HIRE AN MPI INSPECTOR TO DO VIDEO'S TO REDUCE THE AMOUNT OF 1 LINE RO'S.

TACTICS

-HAVE SERVICE MANAGER DO A WEEKLY RO ANALYSIS WITH THE GM OF NO MORE THAN 25 RO'S TO FIND OPPORTUNITIES WITHIN THE SHOP.

-SERVICE ADVISORS WILL ATTEND WEEKLY SALES MEETINGS WITH THE SALES TEAM TO BUILD RAPPORT AND ALSO SHARPEN SELLING SKILLS.

-MOVE SERVICE MANAGER OFFICE TO HAVE A VIEW OF SERVICE LANE.

-REDUCE ADVISOR COUNT FROM 5 TO 4.

-SET UP A PART'S PICKUP SHELF IN SHOP SO FETCH CAN ELIMINATE THE NEED FOR TECH'S TO GO ALL THE WAY TO BACK COUNTER.

ACTION PLAN

<u>TASK</u>	<u>RESPONSIBLE PARTY</u>	<u>COMPLETION DATE</u>
CREATE TECH APPRENTICE TRAINING PROGRAM	SVC MGR/CORP TRAINER	MARCH 1, 2023
25% INCREASE CP GROSS	SVC MGR/ADVISORS	FEB 1, 2023
REDUCE QUICK LUBE TECH COUNT FROM 10 TO 7	SVC MGR/GM	FEB 1, 2023
ADJUST CLASS A TECH PAY	SVC MGR/HR	FEB 1, 2023
INCREASE INTERNAL GROSS	SVC MGR/ UC MGR	MARCH 1, 2023
CHARGE SUBLET ON ALL USED CAR VENDOR WORK	SVC MGR/OFFICE MGR	FEB 1, 2023
MINIMIZE UNAPPLIED LABOR BY MAKING SURE ALL WORK IS FLAGGED	SVC MGR	MARCH 1, 2023

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SYNOPSIS

While reviewing the performance of our dealership, there were three big areas of opportunity in which we control. The main one is the service department as that is the backbone of our store. While we have made minor tweaks in the last 12 months and seen a 20% jump in our gross, our net percentage has stayed flat due to our raising expenses.

The easiest way to fix this is by generating more gross in our department. The work is definitely there as seen by doing the RO analysis. The excuse used to be made that we are a heavy lease market so most of the work is competitive work, however, 70% of the cars that were tracked were 2018 or older. Using the video MPI and doing a better job of training advisors to educate will increase the hours per RO resulting in more gross generated.

Once the work is sold, we are handcuffed by having each Class A technician having two lifts. While there are times when an extra lift may be needed, we can have two auxiliary lifts that they share. This will free up three other lifts that home grown technicians can fill, thus generating more gross.

In the last year we have increased our door rate from \$135 to \$165 and our warranty rate from \$124.15 to \$151. These two factor's will help increase our net as we retain 78% of the gross generated in our service department.

We are so close to being considered a top performing service department in our company. I feel with a few minor tweaks and a change in our culture, the sky is the limit!

