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Marketing: How will you be marketing the dealership service department with the goal of maintaining the customers that you have and obtaining new customers?

Social Media, Customer Loyalty Programs/Offer, Coupon Advertising

coupons and special offers, customer testimonials, Half-off oil change, Free oil changes, Free oil change with any repair of more than a certain dollar amount, Free/reduced cost tire rotation with the purchase of another service, A certain dollar amount off a specific service (e.g., \$25 off a tune-up), A certain percentage off the cost of an overall bill. People also like free stuff. Offering a loyalty program that allows customers to earn free oil changes or other repair services.

2. Analyze Cost of Labor: (1st Homework Calculation) How do you pay your techs? Will you make changes? *Shop currently split into 2 teams with each team being lead by a "master" level certified tech. Master level tech is primarily responsible for initial diagnosis, workflow facilitation, and quality control. Each master tech has 3 techs comprised of 2 C level techs and 1 B level. C level techs are paid hourly (as apprentices or helpers) and the B level is paid as a hrly/flat rate hybrid tech (hrly with bonus kickers for personal hours achieved). Lead tech is paid off total hrs produced by his team with bonus kickers as well. We just started this process but I have used it at my other shops and it worked very well—I am hopeful this will be very successful with our shop as well. Comparatively we are in line or below national avg for tech compensation as it compares to cost of labor.*

3. Changes in Expense Structure: (2nd Homework Calculation) Are you selling all the available hours? Are your expenses in line? *No not currently but we are getting there. Training, consistency, and accountability are the keys to this. Daily tracking as well as inspecting what is*

expected. Leading by example- improving confidence by showing it can be done by building value and asking for the sale each and every time. As sales fall in line so will our expenses.

4. Productivity: (3rd Homework Calculation) How will you increase your Tech Proficiency? *Just started the new process outlined above with team system. This combined with advisor front end training and selling more service for the shop. Bay management is key to this—setting expectations and following up by seeing the repairs from start to finish. Monitoring the SDL daily is also important for workflow. Also bonuses for hourly levels achieved to motivate techs.*

5. Facility: (4th Homework Calculation) What changes will you make to increase your utilization? *We have a small facility but I think the process t=we have created by going to team system as well as continued training with the advisors and the use of Videos and pictures will overall increase all aspects of the service depts bottom line. Inspecting what you expect and staying consistent will be extremely important.*

6. 100 Repair Order Analysis: Submit the summary page along with your evaluation of the analysis.

- Questions to review:
 - o How does your repair labor rate compare to your posted door rate? Actual rate of \$169.92 compared to door rate of \$175- Internal pushes this down a bit more closer to \$132—working with accounting dept for proper coding for better historical tracking of these numbers.
 - o Is there discounting? Previous discounting was allowed and determined by service advisors, however with our new DMS and process only managers can offer discounts. This is monitored daily and accountability is held. Because of this we have seen a significant increase in our overall labor rate. I will continue to monitor to ensure continued growth and adherence to the policy.
 - o What are the hours per R. O.? 1.5 -1.7 per RO. Continued advisor training on proper walk arounds as well as presenting value to recommendations being made to customers will help push this further to our goal of 2.0-2.5 per RO. Also ensuring proper MPVI during tech inspections as well as pictures and videos sent to the customers in order to add value to presentation- seeing is believing. Lastly working on timing as to when added recommendations are presented to the customer for approval—the longer we wait to present recommendations the less the customer will want to spend.
 - o What is the percent of one-line ROs? 40%+ huge issue with amount of time in shop due to shop capacity and tech talent. This is being corrected by proper scheduling as well as setting proper expectations upfront during the checkin process. Most oil changes are 1 line do to improper MPVI because techs are completing quantity over quality as well as service taking too long and customers

being irritated and not wanting to spend more time doing other services. Better scheduling, setting proper expectations, and training more with the MPVI process will improve this. Lastly asking to the sale 100% of the time will help drive the hrs per RO and added lines.

7. SWOT Analysis with an Action Plan:

Strengths:

Willingness to go above and beyond for our customers resulting in great CSI, great teamwork dealership wide (all depts work very well together-common goals- take care of the customer and have fun making money), eagerness to learn and grow with ownership support- ownership promotes healthy supportive and encouraging environment to learn and grow professionally.

Weaknesses:

Shop capacity (small shop servicing 2 brands)- strategic scheduling is important

Experience(long commute for talent- this has forced us to think outside the box creating and implementing a new strategy in ensuring shop competency with “experienced lead techs” surround by “worker bees” pumping out the work while being supervised and getting on the job training “building our next generation of techs”

Parts availability (continued issues with backordered parts- setting proper expectations with customers upfront has worked best for us.

Reactive instead of proactive, planning and being prepared is key- much of this for us is just simply sticking to our processes and ensuring we are all on the same page. Weekly meetings are held and lunch provided for the techs in order to go over important information- this takes away the excuses of “I didn’t know” - proper achievable expectations are always being set and accountability is held.

Brand support in goodwill situations- Seems like its always the dealerships fault when the brands could absolutely do a better job in supporting the dealers initiative in taking care of the customer. Especially in warranty situations. Also always feels like its brands working against dealership instead of coming together to take care of the customer- “its always a game of whos at fault”

Opportunities:

Training, more training is always the key to being successful- train train train- role playing is also very beneficial.

Large lot to grow and build, we are situated on a large lot with many areas in which to grow over these next years which ownership is looking to expand,

CSI- always strong focus on going above and beyond for the customer- we strive to personalize every experience.

Threats:

Demographic- dealership is in a small town way out so finding talent willing to make the commute has proven to be a challenge- however with our new team tech process I feel we will be able to overcome this threat.

Parts- parts ordering and stocking has to be extremely strategic due to dealerships location. Buying parts from other dealers can be time consuming because of the distance for delivery and pickup.

Conclusion:

Overall, we definitely have room for improvement and I personally believe we always will- this business is always evolving and changing and we have to be willing to constantly think outside of the box in order to stay competitive and keep up. Ownership is extremely tech forward thinking which is refreshing as this is much of the way the world is going. Ownership also provides and promotes training and growth in all positions, which has been rare in this business. Continued role playing on overcoming the objectives and building value in everything we are doing for the customer is key to our success and financial growth. Lastly setting expectations and inspecting what we expect with proper communication is how we will get there.

Penni Pierce

Fixed Operations Director