

Service Department Analysis for Lebanon Ford

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Strengths:

- Flexible schedules for employees
- Caring culture/open door policy
- Technician retention bonus program
- Teamwork and strong bonds among co-workers
- Management and leadership
- Highly skilled technicians and service advisors
- Training opportunities
- Apprentice program
- Tool program

Weaknesses:

- Some unmotivated/lazy technicians
- Parts availability.
- Rental vehicle availability.
- Poor work by vendors (body shop)
- Ford Motor Company red tape and warranty times
- Shop Foreman has too many roles
- Lack of phone skills
- Poor communication between techs and service advisors
- Parts department employees' lack of urgency and errors
- Employees not being treated equally. Putting up with bad employees because we can't find replacements.
- Tech pay is too low
- Training for advisors and BDC agents.
- Lack of marketing focus on the service department.

Opportunities:

- Opportunity to grow our department by promoting from within
- Ability to change quickly
- Continue to grow our own technicians with our mentorship program.
- Increase allowance for tool programs
- Buying the software and tools to work on additional makes.
- Improve on up-selling work
- Large class of juniors to hire from at the local career center
- Promoting lot techs to lube techs to start their career path.

Threats:

- Untrained employees
- Other shops/dealerships stealing our technicians
- The opening of aftermarket service shops in our city
- Aging technicians. This is being addressed with apprentice program.
- We do a lot of performance aftermarket work on Mustangs and F-150s. Roush will no longer be making superchargers after 2024. Ford may stop making an internal combustion Mustang. We need to adapt.

Objectives:

1. Increase customer pay hours per RO from 1.8 (average of last quarter of 2022) to 2.2.
2. Increase internal repair orders from an average of 265 (2022) to 300.
3. Increase the hours from closing at 5:30 pm to 6:00 pm Monday-Friday
4. Improve parts efficiency and reduce frustration from technicians when trying to order parts.
5. Improve rental vehicle availability and efficiency.
6. Improve shop utilization
7. Improve technician proficiency
8. Improve phone and sales skills of our advisors and BDC agents.
9. Decrease the number of one-line repair orders.

Strategies:

1. Ensure all technicians are performing MPI's 100% of the time. Advisors offer recommendations 100% of the time. BDC will call on declined work.
2. Our projections indicate a rise in new vehicle sales this year, resulting in a boost in vehicle trade and internal repair orders. To support this growth, we have implemented a strategy of acquiring at least 10 vehicles per week, thereby enhancing internal hours. Additionally, we have reinvigorated our marketing and sales efforts for our high-performance center to further increase internal Ros.
3. To increase service hours, a new schedule will be introduced for advisors, parts personnel, and technicians, effective February 2023.

4. To enhance part ordering efficiency and improve technician productivity, we will implement SMARTT from CDK.
5. To improve rental vehicle availability, we are hiring a rental manager to manage our fleet.
6. Each bay and rack will be expected to produce 40 hours. If a technician has an additional bay, we will expect at least 30 hours from the second bay.
7. Shop Foreman and Service Manager will discuss goals and expectations monthly with each technician.
8. Work with our corporate BDC Director and Fixed Ops Director to conduct monthly training.
9. Continue to develop sales skills of advisors and ensure all technicians are performing MPIs.

Tactics:

1. The Service manager will review daily reports on declined work and MPI report to ensure expectations are being met.
2. We will conduct monthly meetings with the service manager and marketing manager to develop a marketing plan to address business needs.
3. Introduce a new schedule in February 2023 for all service and parts employees.
4. Send our Service Manager, Parts Manager, and Shop Foreman to our sister Ford store to learn how to best implement the CDK SMARTT system.
5. Implement tracking software for rental vehicles. Review all loaned-out vehicles daily.
6. The Service Manager and Shop Foreman will review productivity and proficiency weekly with each technician.
7. Conduct monthly reviews with each technician.
8. Conduct training to address current weaknesses.
9. Find a training company who can help develop the sales skills of our advisors.

Action Plan		
Task	Responsible Party	Completion Date
Review MPI Report	Service Manager	Daily

Review Declined Work	Service Manager	Daily
Increase Service Hours	Service Manager & GM	2/3/2023
Purchase 10 vehicles per week	Used Car Manager	Ongoing
Implement CDK SMARTT	Service Manager, GM, Shop Foreman, Parts Manager	3/1/2023
Create new work schedule for parts and service employees	Service & Parts Manager	2/6/2023
Implement regular technician reviews	Service Manager & Shop Foreman	Monthly
Weekly Parts and Service Manager Meeting	GM	Weekly
Create new pay plans for service advisors	GM & Service Manager	4/1/2023
Hire Rental Vehicle Manager	GM & Service Manager	3/1/2023
Hire second parts driver	Parts Manager	3/1/2023
Conduct monthly marketing meetings	GM, Service/Parts Manager, Director of Marketing	Monthly
Conduct monthly reviews with service advisors	Service Manager	Monthly
Hire additional apprentice trainer	Service Manager	5/1/2023
Review technicians pay	Service Manager/GM	Quarterly
Implement mobile service	Service Manager/GM	9/1/2023
Implement video MPis	Service Manager/GM/Shop Foreman	6/1/2023
Install LED lighting in the older part of the shop	GM/Service Manager	7/1/2023

Synopsis:

Our service department recently welcomed a new service manager following the promotion of our previous manager to the Fixed Ops Director position in December. Despite consistent growth in recent years, there is room for improvement in the department.

Implementing a new schedule poses a potential threat to one of our key strengths as perceived by our employees. However, it is imperative that we enhance productivity and workshop capacity. The new schedule aims to maintain a balance between accommodating employee needs and offering convenient hours for customers.

A major challenge faced by our service department is the availability of parts and lengthy wait times at the counter. Upon visiting other Ford stores, we observed that they do not face the same problem due to their implementation of the SMARTT technology. Although some employees may resist the change, the

adoption of SMARTT is expected to significantly reduce frustration with the parts department.

Accountability and performance will be a central focus during reviews with advisors and technicians. These meetings will also allow employees to raise any concerns. By fostering a culture of accountability and focus, I am confident that we can increase employee productivity.

In 2023, our service department will concentrate on two main areas: mobile service and pick-up and delivery. We believe these services will significantly boost capacity and hours. Despite the challenges of creating new processes, satisfying customer expectations, and hiring the right personnel, we remain committed to this endeavor.

I am excited to see how much we can grow in 2023.