

SERVICE ANALYSIS

 TOYOTA OF 
CEDAR PARK

Our current Marketing practices focus heavily on digital platforms, with a small mix of traditional media such as broadcast and OTT. However, some of our most effective practices come in the form of:

EMAIL CAMPAIGNS (CRM & CONQUEST)

& IN-HOME SERVICE MAILERS

TOYOTA OF CEDAR PARK
Don't Forget!

Our Records Show You May Have Missed A Recommended Service.

15% Off
Any Recommended Service

Click Here To Schedule Online

Why Service At Toyota of Cedar Park?

- Toyota Certified Technicians
- Detailed Multi-Point Inspection Video
- Pickup & Delivery Available
- Complimentary Shuttle Service
- Free Fresh Baked Cookies

Experience the Difference!

Toyota of Cedar Park
5600 183A | Cedar Park, TX | 78641

Directions & Hours
Give Us A Call

TOYOTA OF CEDAR PARK 512-379-7574 TOYOTAOFCEDARPARK.COM

TIME FOR SERVICE?
Let our award-winning service team get you in, out and onto your next adventure!

OIL CHANGE & TIRE ROTATION \$73.95 Service includes oil filter change and tire rotation. Must present at time of service.	TIRE ALIGNMENT \$99.95 Front and rear alignment, suspension and steer inspection, tire condition inspection.	WIPER BLADES 15% OFF Service includes replacing both Front wiper blade assembly with Toyota Sight Line wiper blades.
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*Must present coupon at time of service, not valid with any other coupon/discounts or previous transactions, good on Toyota models only, tax, shop supplies and environmental fee extra, additional quarts or synthetic oil extra, Diesels, SUVs, 4x4 vehicles additional charge, see dealer for details. Offer ends 1/6/2020.

Always complimentary at Toyota of Cedar Park:

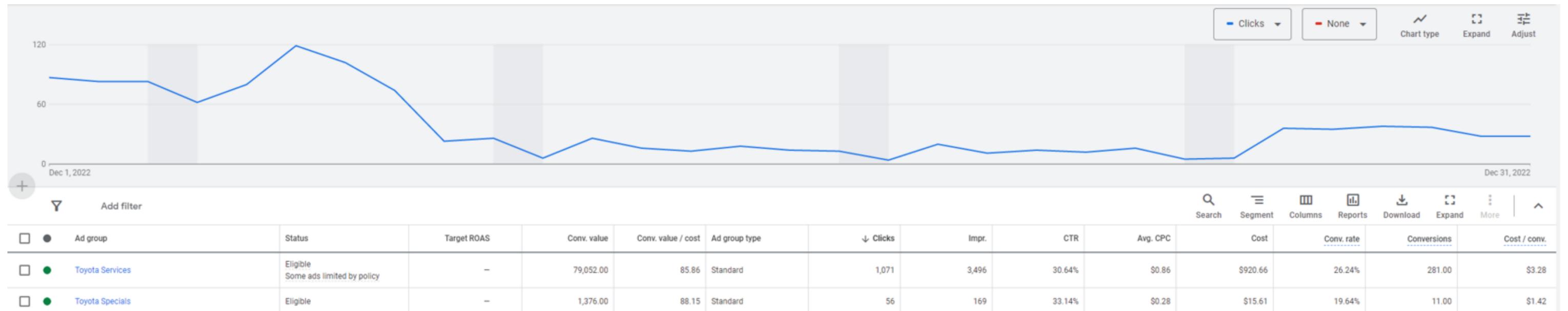
- Alignment Checks
- Wash & Vacuum
- Multi-point Inspection Video
- Delicious Coffee & Snacks
- Shuttle or UBER Service
- Ridiculously Comfortable Lounges

5600 183A CEDAR PARK, TX 78641 EXIT NEW HOPE, ACROSS FROM HEB CENTER

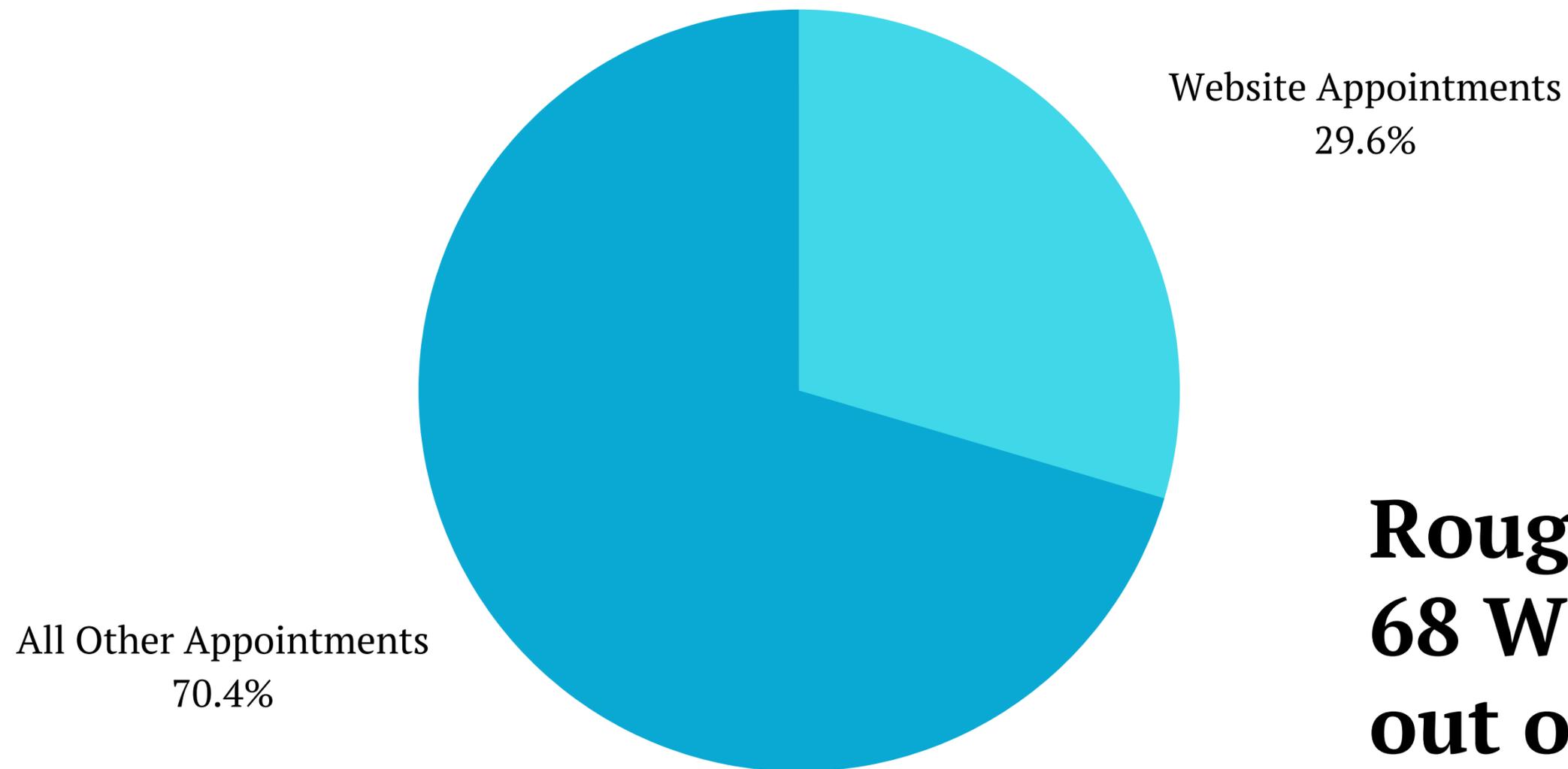
(& Yes, we still have people bring these into the store!)

We have also discovered that our social media campaigns (Single Image and/or Video-based) perform at a higher-than-average level.

(Over 50% of our paid search ads are related to Service & Parts)



Our SEO & SEM strategies for Service are based on driving appointments via Time Highway. We currently average about 30% of our Service Appointments from our website.



**Roughly,
68 Web Appts/Day
out of 230-260 Total.**

Email Campaign



If you are a returning customer scheduling your appointment on our website via phone or computer, our site will recognize your service history by your phone number, email, or VIN number.

We currently display our Service Coupons via Social Media, Internal Email Campaigns, and through a dedicated Service Specials page on our website.

YOU'RE ABOUT TO SEE DOUBLE.

Our Service Center expansion is almost complete. We've DOUBLED the size of our building, and that means more stalls, more technicians, and faster service than ever before. Here's a special offer to use on your next visit!

\$25.00
REBATE

On Your Purchase Of A
Brake Pad Replacement

Mail-In Rebate Offer Ends 5/31/21. Not Combinable With Other Offers. See Dealer For Details

All offers with approved credit only. Valid on In-Stock models only. Not all customers will qualify. See dealer for full details. Offers end 5/31/2021.

Variable Discount

Spend \$1000+	Save \$100
Spend \$500 - \$999	Save \$50
Spend \$250 - \$499	Save \$25
Spend \$150 - \$249	Save \$15
Spend \$50 - \$149	Save \$10

Spend & Save Variable Discount

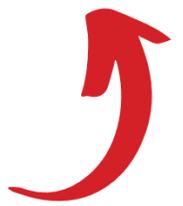
Save up to \$100 on your service experience on qualifying purchases. Must present coupon at time of service; not valid with any other coupons/discounts or previous transactions; good on Toyota models only; tax, shop supplies and environmental fee extra; additional quarts or synthetic oil extra; Diesels, SUVs, 4x4 vehicles additional charge; see dealer for details. Offer not to exceed \$100.

EXPIRES: 12/31/2023

[SCHEDULE SERVICE](#) [CALL US](#)

[PRINT COUPON](#)

Service Special on Site



GOALS FOR IMPROVEMENT:

- 10% Increase to our Service Page
- 30% - 40% of Service Appts. scheduled through website
- Increase traffic to the Service pages on our website by 5%

Page	Pageviews	Unique Pageviews	Avg. Time on Page	Entrances
	22,248 % of Total: 4.72% (471,655)	18,785 % of Total: 4.72% (397,838)	00:02:36 Avg for View: 00:02:25 (7.86%)	13,167 % of Total: 6.25% (210,606)
1. /service/schedule-service/	8,030 (36.09%)	6,246 (33.25%)	00:03:18	3,450 (26.20%)
2. /service/service-tips/reset-toyota-maintenance-light/	3,960 (17.80%)	3,749 (19.96%)	00:06:34	3,745 (28.44%)
3. /service/service-specials/	3,170 (14.25%)	2,342 (12.47%)	00:02:00	1,287 (9.77%)
4. /service/service-tips/toyota-30000-mile-service/	1,793 (8.06%)	1,658 (8.83%)	00:05:35	1,643 (12.48%)
5. /service/	1,366 (6.14%)	1,162 (6.19%)	00:01:04	377 (2.86%)
6. /service/?gaw_campaign_id=9827207641&gaw_ad_group_id=104007249550&gaw_remote_client_id=6076413849	699 (3.14%)	647 (3.44%)	00:00:47	646 (4.91%)
7. /service/?conversations_open=&gaw_campaign_id=9827207518&gaw_ad_group_id=101563507818&gaw_remote_client_id=6076413849	442 (1.99%)	410 (2.18%)	00:01:44	408 (3.10%)
8. /service/service-tips/toyota-maintenance-schedule/	380 (1.71%)	366 (1.95%)	00:04:32	362 (2.75%)
9. /service/toyotacare/	329 (1.48%)	301 (1.60%)	00:01:38	31 (0.24%)
10. /service/genuine-toyota-oil-change/	205 (0.92%)	188 (1.00%)	00:00:59	17 (0.13%)

PLANS TO ACHIEVE OUR GOALS:

- Increase the frequency of email campaigns directed toward our current Service customers
- Utilize conquest email campaigns and social media campaigns to drive in Service business of all makes and models

PLANS TO EVALUATE OUR CHANGES:

- Meet with the Marketing team after 60 days to evaluate performance and adjust marketing spend accordingly.

ANALYZING COST OF LABOR:

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 734,917	\$ 541,116	73.63%	51.52%
Customer Truck			0%	0%
Customer Other			0%	0%
Warranty	\$ 186,375	\$ 137,058	73.54%	13.07%
Warranty Other			0%	0%
Internal	\$ 434,592	\$ 349,134	80.34%	30.47%
NVI / Road Ready	\$ 70,556	\$ 59,671	84.57%	4.95%
Adj. Cost Of Labor		\$ (24,296)	0%	0.00%
Total	\$ 1,426,440	\$ 1,062,683	74.50%	100.00%

Cost of Labor				
Total Cost of Labor	9495.90	÷	Total Sales	= 19.95% Percent Cost of Sales
Total Cost of Labor	9495.90	÷	Total FRHs	= 26.69 Cost per FRH

- We pay Mainline Technicians by flat rate/hour, and Express Maintenance Technicians by clock/hour.
- We find our current process to be effective and efficient in achieving our Fixed Operations Goals month in, month out.

CHANGES IN EXPENSE STRUCTURE:

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 1,090,178		
Variable Expense		0.00%	
Selling Expense	\$ 586,497	53.80%	
Personnel Expense		0.00%	
Semi-Fixed Expense	\$ 298,684	27.40%	
Fixed Expense	\$ 233,403	21.41%	
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	\$ 1,118,584	102.61%	
Net Profit	\$ (28,406)	-2.61%	

Based on our current tech proficiency of 91.88%, we have opportunities to sell more of our available hours. If we can increase efficiency to 120%, we can generate an additional 3,000 hours at \$103.50/hr, which would equate to \$310,500 of departmental gross.

Our expense structure is currently a challenge to our department profitability. We plan on working with our Controller to perform a detailed analysis and look for savings opportunities.

If we can lower our expenses, the additional gross from maximizing tech proficiency will positively impact profitability.

NADA ACTUAL SERVICE ANALYSIS

Performance

	Labor Sales / Month		Hourly Labor Rate		Hours Billed
Customer Car*	\$ 734,917	÷	92.47	=	7947.6
Customer Truck*		÷		=	0.00
Customer Other*		÷		=	0.00
Warranty	\$ 186,375	÷	109.00	=	1709.9
Internal	\$ 434,592	÷	125.00	=	3476.7
New Vehicle Prep	\$ 70,556	÷	109.00	=	647.3
Total	\$ 1,426,440				13781.5

POTENTIAL

\$ 1,426,440	÷	13781.53	=	\$ 103.50
Total labor sales for month		Total hours billed		Effective Labor Rate
75.00	×	8	×	25
# Service mechanical technicians		# Hours/Day		Working Days/Month
				15,000.0
				Clock Hour Avail
15,000.0	×	\$ 103.50	=	\$ 1,552,557
Clock Hours Available		Effective Labor Rate		Labor sales potential

How proficient are your technicians ?

13,781.5	÷	15,000.00	=	91.88%
Hours Billed		Hours Available		Tech Proficiency

Customer labor divide by the Customer Effective Labor rate from the R. O. Analysis

PRODUCTIVITY

Based on our current tech proficiency of 91.88%, we have opportunities to sell more of our available hours. To work towards our goal of 120% efficiency, we will add two parts runners to our team, so that technicians can fully utilize their time.

With our latest addition of our Used Car shop, we currently have 85 bays with 75 technicians.

FACILITY POTENTIAL	
Number of Bays	85
	x
Number of Days	25
	x
Number of Hours	8
	x
Effective Labor Rate	103.5
FACILITY POTENTIAL	\$ 1,759,500

FACILITY UTILIZATION	
Total Labor Sales	\$ 1,426,440
	÷
Facility Potential	\$ 1,759,500
	<i>equals</i>
FACILITY UTILIZATION	81.07%

In order to increase facility utilization, we will need to hire 10 additional technicians.

We will work with our HR Department and local high school automotive programs to bring in talent. Once fully staffed, we will reevaluate our facility utilization to ensure our percentage has increased.

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 10,308	94.00	109.66	FRH Average
Maintenance	\$ 16,458	140.50	117.14	FRH Average
Repair	\$ 20,824	121.30	171.67	FRH Average
Totals	\$ 47,590	355.80	133.75	Customer ELR
		Target Labor Rate		Per FRH
Total Ro's in Sample	0	Difference	133.75	Per FRH

Cost of Labor

Total Cost of Labor	9495.90	Total Sales	19.95%	Percent Cost of Sales
Total Cost of Labor	9495.90	Total FRHs	26.69	Cost per FRH

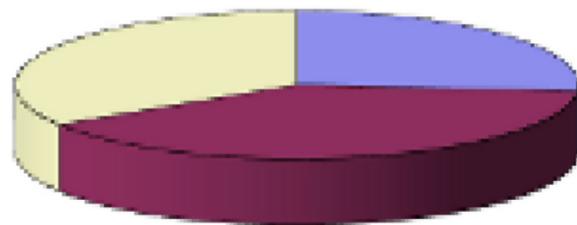
Repair Order Measurements

Total Labor Sales	47,590.00	Total ROs	475.91	Avg Labor per RO
Total FRHs	355.80	Total ROs	3.56	Avg FRH's per RO
Menu Sales		Total ROs		Percent Menu Sales
Competitive FRHs	94.00	Total FRHs	26.42%	Percent Competitive
Maintenance FRHs	140.50	Total FRHs	39.49%	Percent Maintenance
Repair FRH	121.30	Total FRHs	34.09%	Percent Repair
One item ROs	0	Total ROs	0.00%	Percent One Item RO

Model Year Analysis

2024	2023	2022	2021	2020	2019	Older	Total
0	0	1	19	11	12	57	100
0.00%	0.00%	1.00%	19.00%	11.00%	12.00%	57.00%	

Labor Mix



■ Percent Competitive ■ Percent Maintenance ■ Percent Repair

100 Repair Order Analysis:

After completing the 100 RO analysis, we found that the majority of our business comes from Maintenance and Repair.

An area we found we can improve on would be educating our service customers on why it is more beneficial to complete all services with our dealership vs. independent shops. With educating customers on why it is more beneficial (i.e. OEM parts, trust certified technicians, warranty work), this will help drive more competitive services to our Service Department.

Based on the NADA Guide ratio of 2.2:2.5 labor hours per RO, we are performing well at 3.56 hours per RO.

STRATEGIES:

- Weekly check-in meetings with HR
- Offer a signing bonus
- Create Marketing campaigns that drive Service business to our dealership with the message of "we service all makes and models"
- Improve communications between the Controller and Fixed Operations Director regarding expenses

Objectives
Strategies
Tactics

OBJECTIVES:

- Hire additional technicians
- Increase tech proficiency
- Increase the number of competitive services RO's
- Better expense control

TACTICS:

- Hire 2 parts runners
- Have a presence at job fairs and high school automotive programs.
- Gather data and research options (including budget) for additional marketing opportunities
- Detailed report tracking weekly departmental expenses

ACTION PLAN:

Hire 2 parts runners

- To be completed by Parts Director
- Complete by May 1st

Create a calendar with job fairs and tech program events to attend.

- To be completed by Fixed Operations Director, Service Manager and HR Director.
- Complete by April 1st

Create a marketing plan to geofence customers that drive other makes and models to generate more Service business

- To be completed by Marketing team.
- Complete by April 1st

Schedule weekly check-ins to discuss areas of improvement and opportunity in regard to departmental expense control.

- To be completed by Controller, Fixed Operations Director, Service Manager and GM
- Complete by April 1st

SYNOPSIS:

- Based on our current tech proficiency of 91.88%, we have opportunities to sell more of our available hours. If we can increase efficiency to 120%, we can generate an additional 3,000 hours at \$103.50 which would equate to \$310,500 departmental gross
- $13,781 \text{ hours billed} / 75 \text{ technicians} = 183 \text{ FRH/tech}$ at ELR \$103.50 = \$190,018 additional labor gross
- Increase **net profit from -2.61% to 5%**. This increase would result in a net profit of \$51,035 which is a \$79,441 swing from our current, -\$28,406.

Potential Monthly Impact:

\$500,518 additional gross

\$25,025 additional net profit!!