
Service Post Class Homework

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Post Class Work

1. Qualitative SWOT Analysis
 2. RO Analysis
 3. Action Plan
-

Qualitative SWOT Analysis Pt. 1

Strengths

- Strong Leadership
- Experienced Staff - All Advisors are over 15 years Experience in this store.
- Communication within the Department
- Great Ideas for Improvement
- Long Tenured Staff with good product knowledge

Weaknesses

- Communication between departments
- Policies & Rules not being enforced
- Technicians not motivated because of union agreement
- Process Change Implementation
- Promises Not Upheld
- Signage and Department cleanliness
- Parts Dept not stocking aftermarket parts
- Lack of Focus on Client Satisfaction

Qualitative SWOT Analysis Pt. 2

Opportunities

- Retain more off make business
- Outbound Marketing for Service Dept
- Growing neighbourhoods in the close vicinity of the store
- Keep More Sales customers in Service
- Selling More Hours Per RO

Threats

- Rolling Parts Shortages
- Warranty work declining since airbag recall
- Independent Service Center Pricing
- Aging Technician Staff with fewer people getting into the industry
- Declining Sales mean less cars to service

Qualitative SWOT Analysis Pt. 3 - Objectives

- Improve Customer Pay Hours Per RO
- Increase ELR to be within 10% of Posted Door Rate
- Improve Motivation of Technicians to look for and recommend more work.
- Increase Retention of Sales Clients (New, CPO, and clients who purchased off makes from our dealership.
- Manage and monitor productivity, efficiency, and proficiency.
- Accurately track Lost Sales recorded by advisors, technicians, and parts counter advisors.

Qualitative SWOT Analysis Pt. 4 - Strategies

- Develop better reporting and management of productive staff members (Technicians & Advisors)
- Train all Advisors to assure selling word tracks are current, effective, and client friendly.
- Look into Mobile Service Vehicle
- Host Large Departmental Meeting to explain to all parties what we are trying to accomplish, changes we are making to do so, and what the end vision is.
- Ramp up retention efforts for clients who purchased vehicles from us.
- Develop more friendly service content on our website which should allow us to better sell the value of service items outside of normal maintenance schedule

Qualitative SWOT Analysis Pt. 5 - Tactics

- Meet with all department heads to discuss inter-departmental communication struggles
- Rolling out Video MPI's for all internal and customer pay work orders.
- Enhance vehicle check in Process to be more thorough.
- Add an advisor and reduce supplemental staff count to allow advisors more time to spend with clients, review service history and past recommendations, and provide an elevated level of customer experience.
- Have Begun advertising all Certified Pre Owned vehicles purchased from us come with two free oil changes, giving us far better opportunities at retaining clients.
- Dealership never provided performance metrics to technicians or advisors, and we are working at designing one to provide reference material for 1 on 1 coaching.
- Better Reviews of Lost Sale opportunities, why were they lost, and how we can make sure we are controlling everything we can to not lose opportunities (for example offering uber vouchers or loaners for repairs that will take to long)
- Revise Bonus plan for service advisors to penetration targets (alignments, wiper blades, etc.)

Qualitative SWOT Analysis Pt. 6 - Action Plan

Task	Completed by:	Target completion Date:
Implement Video MPI's on All Customer Pay and Internal Work Orders.	Assistant Service Manager	March 31st, 2023
Change Service Advisor Monthly Bonuses	Service Manager	March 31st, 2023
Explore Outfitting Mobile Service Vehicle	GM/Service Manager	April 30th, 2023
Develop Monthly Scorecards for Advisors/Technicians	GM/Service Manager	March 31st, 2023
Monitor and Coach Hours/RO	Asst. Service Manager.	Weekly
Lost Sales Tracking	Asst. Service Manager	Daily
Host Weekly Fixed Ops Meeting to Better communication between Depts	GM	March 31st, 2023
Oil Change Offer for Certified Pre Owned vehicles	GM	March 1st, 2023

Qualitative SWOT Analysis Pt. 6 - Synopsis

The Most common note on all of the staff's SWOT Analysis was inter-departmental Communication so this will become the most pressing and easiest fix in front of us.

The Next thing on our List will be all efforts to help improve our sales on the Counter. Implementing Video MPI's, proper client sales interaction, and doing the basics very well should help us bolster our hours per RO and ELR to our level of expectation.

We have already begun rolling out our retention efforts to make sure we keep as many clients as we can in our service department, and give us the best opportunity to continue to grow our fixed ops departments.

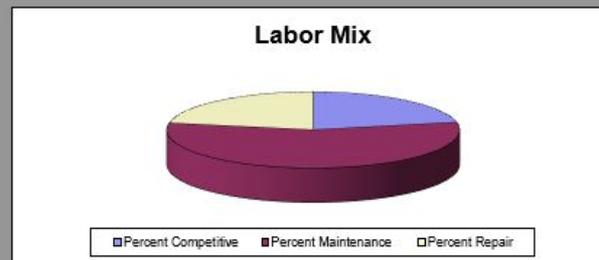
We have several limitations that other stores may not as our advisors in both parts and service, as well as technicians are a part of a union here, but making sure we address all of these topics in all conversations will surely keep them front of mind, and aid in us making all of the changes we know will help us be successful.

RO Analysis

Observations

- Union Shop w/ Technician Wages set even across the board.
- Surprised by the amount of Older Work Done.
- We need to reduce discounting to help ELR.

Repair Order Analysis Summary Report							
	Sales in Dollars	FRH's on RO's	Averages	Analysis			
Competitive	\$ 4,431	32.90	134.67	FRH Average			
Maintenance	\$ 12,926	84.80	152.43	FRH Average			
Repair	\$ 5,425	33.40	162.41	FRH Average			
Totals	\$ 22,781	151.10	150.77	Customer ELR			
Total Ro's in Sample			100	Target Labor Rate	138.07	Per FRH	
				Difference	12.70	Per FRH	
Cost of Labor							
Total Cost of Labor	5818.47	Total Sales	25.54%	Percent Cost of Sales			
Total Cost of Labor	5818.47	Total FRHs	38.51	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	22,781.11	Total ROs	227.81	Avg Labor per RO			
Total FRHs	151.10	Total ROs	1.51	Avg FRH's per RO			
Menu Sales		Total ROs		Percent Menu Sales			
Competitive FRHs	32.90	Total FRHs	21.77%	Percent Competitive			
Maintenance FRHs	84.80	Total FRHs	56.12%	Percent Maintenance			
Repair FRH	33.40	Total FRHs	22.10%	Percent Repair			
One item ROs	31	Total ROs	31.00%	Percent One Item RO			
Model Year Analysis							
2024	2023	2022	2021	2020	2019	Older	Total
0	0	13	9	7	14	57	100
0.00%	0.00%	13.00%	9.00%	7.00%	14.00%	57.00%	



SERVICE OPERATIONS ASSIGNMENT – ACTION PLAN

S Specific **M** Measurable **A** Achievable **R** Relevant **T** Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?
Example: "I will decrease my 5K run time from 30 minutes to 21 minutes by June 15, 2020."

S **M** **T**

My Goal is to increase our CP Hours per RO from 1.40 to 1.65 by July 31st, 2023.

How does this goal align with or support your dealer's vision?
What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?
Why is this goal important to you?

R

This goal directly aligns with my dealer's vision of improving my Fixed Absorption by 5% in this calendar year over last year. We want to really make this dealership far more resilient to variations in the sales market and lower the risk for the store as a whole. Doing so will be a combination of several goals we have set out for this year but starting by increasing our ability to maximize each service opportunity is important! Consequences of missing this goal mean our dealership will remain at a fixed ops absorption of about 53% and leave us very heavily reliant on vehicle sales to break even and turn a profit.

Service Operations - Action Plan pt. 1

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve?

For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.



Service Operations - Action Plan pt. 2

SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECK POINT DATES
Deliver Letters of Expectations to advisors.	HR/Legal Sign off	Service Manager	Deliver Letter of Expectations, and review previous results	Delivered April 1st, 2023.
Service Advisor Sales Technique Training	Outside Training company (NADA)	Service Manager	Learn New sales techniques helping advisors overcome objections on the counter.	Goal to be completed by Q3 of 2023.
Dashboard Creation/Monitoring	OpenRoad IT Department Development	Service Manager/Assistant Service Manager	Live Dashboard on advisor performance in a consumable way.	Dashboard was built and completed March 5th.
Discounting Turned Off	Service Manager with CDK	Service Manager	Teach Advisors to sell without offering a discount	Completed by Service Manager by April 1st.
Uber Account Up and Running	Uber	Service Manager/Assistant Service Manager	Give Advisors a way to overcome clients objections who don't have enough time to stay for work.	Completed by GM by April 1st.

Service Operations - Action Plan pt.3



SERVICE OPERATIONS HOMEWORK – ACTION PLAN

How will you track your progress? Where will you find the information? How often will you check in?



We have a dashboard which was built in-house, and pulls our data directly from CDK. It displays CP Hours Per RO, Dollars per RO, discounting, alignment penetrations, wiper penetrations, and detail sales. It automatically updates overnight and our managers will check it every morning and communicate the results accordingly.

Potential Obstacles?



With Union Service advisors whose pay is 95% Salary and 5% variable, utilizing reasonable financial incentives may not be as impactful as in a more variable pay structure.

We have very tenured advisors who are still stuck as seeing themselves as more customer service representatives instead of sales people.

The shop does not have a competitive atmosphere and changing culture may take some time.

Potential Solutions?



Group financial targets may add a sense of comradery and increase motivation to see the lift.

We plan on training immediately as well as live coachings with our Service Manager to improve sales techniques.

Leaderboards will be implemented, maybe perks to the top performing advisor.

BOTTOM LINE! What is the financial impact (expressed in dollars) of achieving your goal?



The Financial Impact of improving our Hours Per RO from 1.40 to 1.65 on an average of 1000 CP RO's per month, at a door rate of \$159.00 is \$477,000 in Sales ($12,000 * (.25 * \$159)$).

CONGRATULATIONS! You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.



After establishing this increased level of performance as the standard, all advisors and managers will be motivated to put past it. This will also be the benchmark in which individuals are performance managed to, and if need be then substitutions will have to be made.