

Service Department Analysis for Tony Brown Chevrolet by Charles A. Hooper - 35

Strengths

1. Very loyal customer base that works at a high volume of RO's each day
2. We have the best team with particularly good attitudes that enjoy the challenges faced daily.
3. We have a nice facility and the proper equipment to repair vehicles correctly.
4. We have new industry coming to the area driving up our customer count and workflow.
5. We have streamlined parts request and work required recommendation.
6. We have a very high rate of same day repairs.
7. We are in the process of facility makeover to update with GM standards.
8. The owner is all in with this process.

Weaknesses

1. The management structure is forming but has some objections to overcome.
2. We will need to recruit more help to fill the demand for more labor hours requested.
3. We have little parking and no parking organization, customers spend time looking for their vehicles, techs looking for vehicles.
4. Our organization gets a little out of hand when things get busy.
5. Parts are difficult to get at this point and does not look like it's going to get better for a while.
6. Always changing our processes of how we do things makes it difficult to monitor progress.
7. We are out of space in our shops.

Opportunities

1. The growing population in our area with big industry moving into our town.
2. We have the best team in this town.
3. We have very seasoned, experienced technicians.
4. Our team is very motivated.
5. Facilities are genuinely nice and clean, and we are going to update with GM standards.
6. We have an exceptionally good reputation in our community.
7. We are always improving on the level of service that we provide.
8. Technicians enjoy training in new technology.

Threats

1. New industry is coming to our town with excellent paying jobs.
2. Existing competition offering higher wages for employees.
3. Technicians looking to make a life change in their profession.
4. Complexity of new technology
5. Parts becoming harder to get for that same day repair.
6. Pricing from independent shops is much less costly.
7. Outgrown our existing facility.

Objectives

1. Become the automotive leader in our community.
2. Squeeze out the competition.
3. Lead the town in technology with proper equipment.
4. Increase profit.
5. Increase fixed absorption to 60%
6. Improve motivation and morale.
7. Track lost sales in repair.
8. Increase labor hours per RO.
9. Slow down to a steady controllable pace.
10. Make safety a priority.
11. Train future technicians

Strategies

1. Look at easiest areas to improve on
2. Deliver technicians parts.
3. Prepare for the next day with parts and technicians.
4. Increase labor per RO with something small.
5. Reduce one line RO with good MPVI's.
6. Train technicians on the proper MPVI and recommended maintenance schedules
7. Monitor the monthly outcomes from the previous year and project what we can do to increase.

Tactics

1. Consider bonus program for technicians.
2. Set a goal on hours billed.
3. Weekly meeting with advisors, technicians, and fixed op director
4. Offer competitive 401k, retirement options, and training.
5. Cut costs on items we do not use or apply the money to something with better return.

Synopsis

I think we have excellent facilities and the best team we could ask for at this time. We can all find areas to improve upon. The struggle to become more streamlined and efficient is real. Parts availability has become an ongoing concern and has slowed us down considerably. We will have to find other sources to maintain our hours per week. Extending the service hours for our quick lube service is one of the 1st goals I want to achieve. Our regular customer base is more than we can serve consistently at the current 8-hour work shift. With our town growing so rapidly and the demand for services growing daily, we will need to expand to meet their needs. We will try and become better prepared for each day or week by having weekly meetings to reflect on the previous week and what is coming for the next. We have very motivated people, and they like the business growing. I would like to spend some time with our quick lane technicians, teaching them of the proper maintenance schedules for the manufacture's recommendation. I am very proud to be a part of this dealership and enjoy the satisfaction of being the leader in our community when it comes to automotive business.

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.

SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECK POINT DATES
Increase Absorption Rate	Service Managers Service Advisors	Service Managers	Increase from 50.09% to 70%	Starting now Monitoring Monthly
Hiring Process Refined	Define an interview process	HR/Fixed OPS Director/Service Managers	Have a refined working hiring process that is easy to understand	04/01/2023 04/28/2023
Training/Development Process	New Employees	HR/Fixed OPS Director/Service Managers	Employees ready to hit the ground running	05/01/2023 06/30/2023
Impliment New Service Hours for Lube Center	New employees, processes and training processes	Fixed OPS Director/Service Managers/Parts Manager	Increased Production / Increased Profits	05/01/2023 06/30/2023
Action Plan Review	Management Team	Service Managers	Increased Quality and Revenue	04/01/2023 10/31/2023

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 2,680 ÷	129.20 =	20.74	FRH Average
Maintenance	\$ 2,160 ÷	21.33 =	101.24	FRH Average
Repair	\$ 7,196 ÷	63.80 =	112.78	FRH Average
Totals	\$ 12,035 ÷	214.33 =	56.15	Customer ELR
Target Labor Rate			110.06	Per FRH
Total Ro's in Sample	100	Difference	-53.91	Per FRH

Cost of Labor

Total Cost of Labor	3909.91 ÷	Total Sales =	32.49%	Percent Cost of Sales
Total Cost of Labor	3909.91 ÷	Total FRHs =	18.24	Cost per FRH

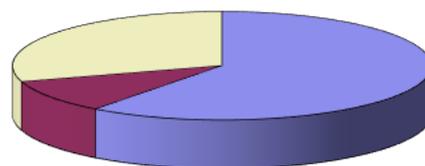
Repair Order Measurements

Total Labor Sales	12,035.00 ÷	Total ROs =	120.35	Avg Labor per RO
Total FRHs	214.33 ÷	Total ROs =	2.14	Avg FRH's per RO
Menu Sales		Total ROs =		Percent Menu Sales
Competitive FRHs	129.20 ÷	Total FRHs =	60.28%	Percent Competitive
Maintenance FRHs	21.33 ÷	Total FRHs =	9.95%	Percent Maintenance
Repair FRH	63.80 ÷	Total FRHs =	29.77%	Percent Repair
One item ROs	30 ÷	Total ROs =	30.00%	Percent One Item RO

Model Year Analysis

2024	2023	2022	2021	2020	2019	Older	Total
0	1	5	5	9	13	67	100
0.00%	1.00%	5.00%	5.00%	9.00%	13.00%	67.00%	

Labor Mix



■ Percent Competitive
 ■ Percent Maintenance
 ■ Percent Repair