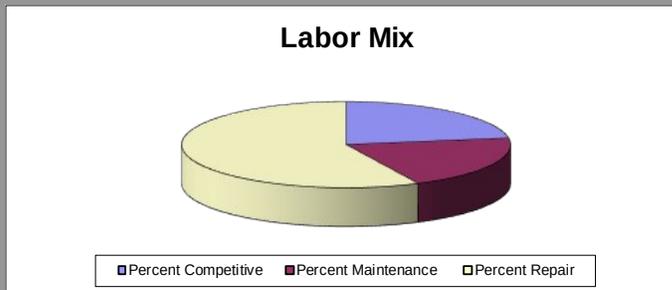


Advanced Service Management Seminar 36
 Walter Patel

Service Department

RO Analysis:

Repair Order Analysis Summary Report							
	Sales in Dollars	FRH's on RO's	Averages	Analysis			
Competitive	\$ 6,276	÷ 54.40	= 115.37	FRH Average			
Maintenance	\$ 7,163	÷ 48.90	= 146.48	FRH Average			
Repair	\$ 21,534	÷ 137.90	= 156.16	FRH Average			
Totals	\$ 34,973	÷ 241.20	= 145.00	Customer ELR			
			Target Labor Rate	172.00	Per FRH		
Total Ro's in Sample	100	Difference		-27.00	Per FRH		
Cost of Labor							
Total Cost of Labor	8069.20	÷ Total Sales	= 23.07%	Percent Cost of Sales			
Total Cost of Labor	8069.20	÷ Total FRHs	= 33.45	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	34,973.04	÷ Total ROs	= 349.73	Avg Labor per RO			
Total FRHs	241.20	÷ Total ROs	= 2.41	Avg FRH's per RO			
Menu Sales		÷ Total ROs		Percent Menu Sales			
Competitive FRHs	54.40	÷ Total FRHs	= 22.55%	Percent Competitive			
Maintenance FRHs	48.90	÷ Total FRHs	= 20.27%	Percent Maintenance			
Repair FRH	137.90	÷ Total FRHs	= 57.17%	Percent Repair			
One item ROs	58	÷ Total ROs	= 58.00%	Percent One Item RO			
Model Year Analysis							
2024	2023	2022	2021	2020	2019	Older	Total
0	1	6	7	9	9	68	100
0.00%	1.00%	6.00%	7.00%	9.00%	9.00%	68.00%	



Qualitative Analysis

Strengths:

- 1. Our team is improving on One-line R/Os.**
- 2. The Richmond location has a very large drive through that can facilitate 10 trucks and 9 advisors. The facility has great potential for more work.**
- 3. We pride ourselves on continuous training for our technicians and they have experience with all makes and models.**
- 4. Our team has an excellent work ethic, and they strive to be the best team possible - together.**
- 5. We have an in-house body shop, which allows us to be a one-stop shop for our customers.**

Qualitative Analysis

Weaknesses:

- 1. The advisors we have aren't maximizing sales by not utilizing the menus we have in the service drive.**
- 2. The service department hours aren't mirroring the sales department hours. There are lost opportunities in those closed hours.**
- 3. We have too many come backs.**
- 4. Our pay structure isn't as competitive as some of our competition.**
- 5. Our wait time is below average.**
- 6. We can't offer same day appointments because we're backed up.**
- 7. Too much lost time for the techs.**

Qualitative Analysis

Opportunities:

- 1. Increase our hours of operation and develop marketing campaigns to educate customers about our new hours of operation. This will increase the number of appointments we can schedule. Our customers base will grow exponentially, by allowing customers with shift work schedules to have services done.**
- 2. Help the techs with lost time and work on ways to improve it. Ie. Proper Leadership, Toolbox organization, proper training, a parts runner, Parking lot organization.**
- 3. Establishing a stronger digital presence.**
- 4. Develop a better Onboarding process so our staff has a better chance of succeeding.**

Qualitative Analysis

Threats:

1. We're missing out on a substantial amount of work, due to the hours of operation.
2. These customers are going to independent repair shops.
3. We're not maximizing every R/O.
4. We're losing staff to competitors because of pay.
5. Less service needed for EV models and newer models.

Objectives / Strategies / Tactics

Objectives:

1. Increase hours per R/O.
2. Decrease one-line R/Os.
3. Track lost sales and why they're happening, how can we improve.
4. Increase the hours of operation.
5. Increase menu sales.

Objectives / Strategies / Tactics

Strategies:

- 1. Increase the number of hours produced by the shop foreman.**
- 2. Increase hours to mirror the sales department.**
- 3. Conduct regular shop meetings and reiterate the importance of maximizing RO sales.**
- 4. Develop proper training for both techs and advisors.**
- 5. Enroll all the advisors in the new NADA seminar.**
- 6. Enroll the Service Manager in NADA Advanced Service Seminar.**
- 7. Develop a focused Express Lube.**
- 8. Develop a marketing campaign to target new customers.**
- 9. Develop a marketing campaign to target lost customers.**

Objectives / Strategies / Tactics

Action Plan:

<u>Task</u>	<u>By Whom</u>	<u>Completion Date</u>
Adjust the Shop Foreman's pay plan to be based on production	GM/Service MGR	May 1, 2023
Increase Service Department	GM/ Service MGR	June 1, 2023
Schedule weekly meetings	Service MGR	April 19, 2023
Work with the managers and establish a training program. Research training companies.	Service MGR/GM/HR	May 1, 2023
Meet and discuss NADA opportunities	GM/Service MGR	May 1, 2023
Install Express Lube	Service MGR	June 1, 2023
Meet with the Marketing Manager and other marketing companies to strategically develop campaigns!	Marketing MGR/GM/Service MGR	May 1, 2023

Synopsis

As we look to grow our team and become more profitable, we will look to increase the service department hours to mimic the sales department. This will create such a massive opportunity to capitalize on the sales customers during their delivery. It'll be important to introduce the customers to the service department and familiarize the customer with the team.

The Shop Foreman will serve a very important roll by leading by example and maximizing hours produced. This will be a great example for the rest of the team and will add to the gross.

A major contributor to growing and maximizing profit will be training. We at Dueck believe someone can't have enough training and education. We will look to NADA and other companies to help us achieve maximum training for every person in our dealership. This will show the team that we believe in them and we're confident they'll be with us for many years to come.

We have recognized that we're missing a major opportunity by not having a quick lube. We're planning on building on this very important part of the service customer's needs. This will also give us the opportunity to maximize on the opportunity by showing them menus.

Moving forward in 2023, we will need to shift our focus to our digital presence and marketing strategies. We have started talking about how can improve in these areas and we've already created such strong dialogue.

We need to continuously look to improve on and build our profit center. Not just for us, but also for the new team members we're trying to build up and mentor.