

Fixed Operations Service Assignment For Ben Robert(Saskatoon Motor Products) Class N332-007

The below will be based on the Financial Statement for March, 2018.

A) Advertising

This email was sent to a specific group of customers and was not able to be combined with any other offers. Customer was able to book immediately from the link and was "required" to bring the coupon in with them to receive the discounted offer.

Winter's Been
Tough!

Get Your Vehicle
**Ready for
Spring!**

Get
50% OFF
a **Multi-Point
Health Inspection**

PLUS! We'll Swap
Your Winter Tires for
NO CHARGE
(IF ON RIMS)



Must present coupon to Service Advisor to receive discount

 **SMP**
CHEVROLET CORVETTE

CLICK HERE
TO BOOK YOUR SERVICE!

This email was sent to all customers that had purchased a pre-owned vehicle at SMP but we have not seen them back for servicing. You'll notice the very top states "We service ALL makes & models!" A focus for us, with having had a slower shop as of late, is to focus on retention of the pre-owned units we sell(roughly 90-100 per month)

We service ALL makes & Models!

Winter's Been
Tough!

Get Your Vehicle
Ready for
Spring!

Get

50% OFF
a Multi-Point
Health Inspection

AND

Get **\$20 OFF**
AN OIL CHANGE!

Must present coupon to Service Advisor to receive discount

Hurry, Limited Time Only!



CLICK HERE
TO BOOK YOUR SERVICE!

This hanger will be placed in all pre-owned vehicles on the lot (currently 150) to drive these customers into the service department once they take delivery of their pre-owned vehicle. The bottom right portion of the hanger is perforated to allow the customer to put it into their wallet or purse.



EDGE[®]

Professional



FST[™] WITH FLUID STRENGTH TECHNOLOGY[™]

IT'S MORE THAN JUST OIL. IT'S LIQUID ENGINEERING.™



We appreciate your business and extend this exclusive offer on a
Castrol EDGE Professional Full Synthetic Oil Change

\$10.00^{OFF}

Redeemable at Saskatoon Motor Products

**Castrol EDGE Professional full synthetic formulation
with Fluid Strength Technology.**

Limited Time Offer. For more information and details please see reverse side.

We are advertising our No Charge Wheel Alignment Check and it gets done in the service drive on every vehicle that comes through. We also have our best service advisor, who volunteered, coming in Saturdays to sell the alignments on the units

that fail(We are currently still only open on Saturdays for oil changes but I am sure that will be changing in the near future.



WHEEL ALIGNMENT CHECK

GET YOUR NO CHARGE
WHEEL ALIGNMENT CHECK
ASK YOUR ADVISOR!

BOOK NOW!

Complimentary with the purchase of any service at SMP. Retail value \$72.

The buy now-pay later program is a financing option for those customers that would like to complete the repairs on their vehicle but don't currently have the cash to pay up front. More people than I thought take advantage of it and it seems to be a great program.

BUY NOW, PAY LATER!^(OAC)

- ✓ Tires & Wheels
- ✓ Maintenance
- ✓ Repairs
- ✓ Remote Starters
- ✓ Performance
- ✓ Paint Protection Film
- ✓ Lift Kits
- ✓ Accessories

ASK ME HOW!

The tire and brake 30-day price match guarantee is a great program for selling in the service drive while the customer is there while giving them the peace of mind that we will be the best price or we will refund them the difference. I think we all know that, while the customer has good intentions of shopping around after they get the work done, busy life gets in the way and it never happens.



Certified Service

TIRE AND BRAKE 30-DAY PRICE MATCH GUARANTEE!
WE WILL MATCH THE COMPETITION'S PRICES.

BF Goodrich BRIDGESTONE Continental DEWEDGE
GOODYEAR HANKOOK Firestone GENERAL TIRE
KELLY Tires MICHELIN普利司通 UNIROYAL

TIRE & BRAKE 30-DAY PRICE MATCH GUARANTEE

> SHOP NOW!

My favorite one that we came up with is the one below. It features our “No Charge” brake inspection, our High Mileage discount(to drive more multi line RO’s), shows some of the amenities that we have at the service department, and highlights again that financing is available from a reputable source at 0%

St. Patrick's Day 

SAVINGS

BRAKE SPECIAL
NO CHARGE BRAKE INSPECTION
with any brake work done

MILEAGE DISCOUNT

100,000 KM = **10% OFF**
Or More! Parts & Labour

150,000 KM = **15% OFF**
Or More! Parts & Labour

WE ALSO OFFER:
• SHUTTLE SERVICE • WI-FI ACCESS • CAFE ON SITE

PLUS! WE CAN FINANCE OUR SERVICE WORK!

0% FINANCING
FOR 3 MONTHS WITH THE
GM SCOTIA BANK VISA



**SASKATOON MOTOR PRODUCTS** CHEVROLET

BOOK NOW >

We also noticed that, while they get 4 free oil changed with the purchase of a new Chevrolet vehicle, customers still were not coming back for them. This ad was implemented to drive those folks that don't know into service. We also started booking the first service at the time of delivery.

DID YOU KNOW YOU GET 4 FREE OIL CHANGES?

EXPERIENCE THE DIFFERENCE TODAY!

Certified Service

FREE OIL CHANGES MUST BE USED WITHIN THE FIRST 2 YEARS OR 48,000KM (WHICHEVER COMES FIRST) FROM THE VEHICLE WARRANTY REGISTRATION DATE

30-DAY TIRE & BRAKE PRICE MATCH GUARANTEE

CHEVROLET BUICK GMC CADILLAC

B) Marketing

While doing the non-dealer survey we found that, while they may be a small amount cheaper in some areas, the customer service and knowledge was lacking from the people we spoke to at the non-dealers. We have over 65 years of experience from our 5 Service Advisors. With the proper phone, objection, and sales training they should be able to easily overcome any price comparisons. We are in the process of making large non-dealer comparison boards for both pricing and services included. These will be hanging in the service drive and, possibly, the waiting area in the showroom.

532 V8

2014 Silverado 73,428 Km's *
 COMPETITIVE MAINTENANCE PRICING SUMMARY* - NON DEALER * Time, Date, Whom spoken to!

COMPETITOR	LUBE, OIL & FILTER	ROTATE FRONT/ REAR TIRES	BALANCE FRONT/ REAR TIRES	ALIGN FRONT END	SERVICE A/C	REPLACE FRONT DISC PADS	
Rick & Red's.	N/A	\$40/tire	\$17/tire	\$100	N/A	\$235-245	@10:26am
K & K.	\$90	\$15/tire	\$15/tire	\$99			@10:29am
Canadian Tire	\$100	Included->	\$25/tire	\$95	\$139.95	\$376.00	@10:51am
Glenwood Auto	\$100	Included->	\$150/All 4's	\$180		\$80 (for an inspection)	@11:30am (Jay)
Harry's Auto	\$65	\$39		\$129.95			@12:39pm (Harry)
Avalon Auto	\$64.95	Included->	\$99/All 4's	\$139.	\$129.95	\$450-500	@12:34pm
Crestview Service	\$120-130	Included->	\$100-150	\$140	\$100	\$400-500	@2:25pm (Matt)
Empire Auto	\$140	Included->	\$114-190	\$139	\$250-275	\$650	@2:31pm (Chris)
Diversified Auto.	\$49.95	Included->	\$15/tire	\$136	\$98	\$136 (for labor)	@2:48pm
TOTALS	91.86	31.33	100.88	128.66	146.08	432.20	
MY DEALERSHIP	\$44.52	\$49.99	\$109.99	\$149.99	\$149.95	\$300	

*Includes parts and labor * Michael Kocsis.

C) Facility Potential and Utilization

When looking at the calculations below, we are above the NADA guide of 75% for facility utilization but, based on our tech proficiency number alone, we can easily increase this further.

FACILITY POTENTIAL	
Number of Bays	21
	x
Number of Days	21
	x
Number of Hours	8
	x
Effective Labor Rate	136.13
	<i>equals</i>
FACILITY POTENTIAL	\$ 480,267

FACILITY UTILIZATION	
Total Labor Sales	\$ 382,481
	÷
Facility Potential	\$ 480,267
	<i>equals</i>
FACILITY UTILIZATION	79.64%

D) Tech Proficiency

Tech proficiency, unless I am calculating wrong, is a huge cause for concern right now. We definitely are not keeping our techs anywhere near busy enough. Advertising “we repair ALL makes and models” is a step in the right direction to help this. Also, the actions we are taking to retain our sales and current service customers will help alleviate this. From the SWOT, we know that one concern from the techs is the need to be busier. More work will lead to higher proficiency. We are a huge amount below guide on this one and it needs to be addressed immediately.

Performance

	<i>Labor Sales / Month</i>		<i>Hourly Labor Rate</i>		<i>Hours Billed</i>
Customer Car*	\$ 142,824	÷	149.00	=	958.6
Customer Truck*	\$ -	÷		=	0.00
Customer Other(Quick Lube)	\$ 8,623	÷	56.95	=	151.4
Warranty	\$ 104,645	÷	125.79	=	831.9
Internal	\$ 110,589	÷	149.00	=	742.2
New Vehicle Prep	\$ 15,800	÷	125.79	=	125.6
Total	\$ 382,481				2809.7

POTENTIAL

$$\begin{array}{l}
 \text{\$ } 382,481 \div 2809.68 = \text{\$ } 136.13 \\
 \text{Total labor sales for month} \quad \text{Total hours billed} \quad \text{Effective Labor Rate} \\
 \boxed{25.00} \times \boxed{8} \times \boxed{21} = \boxed{4,200.0} \\
 \text{\# Service mechanical technicians} \quad \text{\# Hours/Day} \quad \text{Working Days/Month} \\
 \text{Clock Hour} \\
 \text{Aval} \\
 \boxed{4,200.0} \times \text{\$ } 136.13 = \text{\$ } 571,745 \\
 \text{Clock Hours Available} \quad \text{Effective Labor Rate} \quad \text{Labor sales potential}
 \end{array}$$

How proficient are your technicians ?

$$\boxed{2,809.7} \div \boxed{4,200.00} = \boxed{66.90\%} \\
 \text{Hours Produced} \quad \text{Hours Available} \quad \text{Tech Proficiency}$$

- E) Production Method - We currently have a conventional, every tech for themselves, structure at SMP but the Service Manager is open to looking at other methods. This will be discussed and analyzed further at a later date.
- F) Cost Of Labor

From doing all of the calculations, we realized that we really need to start maximizing our profits when it comes to "customer pay" items. Our Internal and NVI numbers should match customer pay and not exceed them. There doesn't seem to be a discounting issue when the reports are ran nightly. We are now emailing the MPI to customers so that we can limit the amount of 1 line RO's. The inspection is discussed with the customer when the Service Advisor calls them to recommend service. The technicians are now COMPLETELY filling in the MPI and making notes on it of recommended services.

Service Department Sales And Gross (Labor Only)

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car & Truck	\$ 142,824	\$ 97,323	68.14 %	35.93 %
			0%	0.00%
Customer Other(Quick Lube	\$ 8,623	\$ 3,584	41.56 %	2.17%
Warranty	\$ 104,645	\$ 70,097	66.99 %	26.33 %
Warranty Other	\$ 15,002	\$ 10,351	69.00 %	3.77%
Internal	\$ 110,589	\$ 80,285	72.60 %	27.82 %
NVI / Road Ready	\$ 15,800	\$ 11,712	74.13 %	3.98%
Adj. Cost Of Labor		\$ 6,025	0%	0.00%
Total	\$ 397,483	\$ 279,377	70.29 %	100.00 %

- G) Expense Structure

Expenses are definitely in line and don't appear to be an issue as Net Profit is 12.97% above the NADA guide of 20%. Our service and parts departments do a phenomenal job of keeping track of who owes what so there is very little bad debt expense (we hold weekly meetings for receivables and everyone is held accountable for their department). We also have a miniscule policy account as we try our very best to "fix it right the first time" for customers. For internal, there is no such thing as policy work being done.

Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 293,115		
Variable Expense	\$ -	0.00%	
Selling Expense	\$ -	0.00%	
Personnel Expense	\$ 136,941	46.72%	
Semi-Fixed Expense	\$ 47,769	16.30%	
Fixed Expense	\$ 11,754	4.01%	
Unallocated Expense	\$ -	0.00%	
Dealer's Salary	\$ -	0.00%	
Total Expenses	\$ 196,464	67.03%	
Net Profit	\$ 96,651	32.97%	

H) Payplan

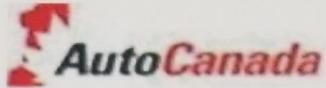
Our current payplan is geared toward performance in both sales and CSI. The team aspect of the CSI bonus helps maintain our culture of excellent customer service.

		EXAMPLE	
HOURLY WAGE	NO ABSENTEE DAYS (21 DAYS ON AVERAGE)	\$2,352	
OVERTIME	MONTHLY AVERAGE (21 DAYS @ 1 HOUR A DAY)	\$441	
COMMISSION	TIERED STRUCTURE-TOTAL CUSTOMER PAY LABOUR & PARTS SALES INCLUDING GMPP SALES		
	LEVELS ARE NOT RETRO TO \$1		
	\$1 - \$40,000	-2.0% \$800	\$800
	\$40,001 - \$50,000	-2.5% \$250	\$250
	\$50,001 - \$60,000	-3.0% \$300	
	\$60,001 - \$70,000	-4.0% \$400	
	\$70,001 - \$80,000	-5.0% \$500	
	\$80,001 Plus	-6.0%	
CSI BONUS	STRONG CSI FOR SALES & SERVICE STAFF IS A REQUIREMENT BY GENERAL MOTORS AND SMP		
	CSI LEVELS FOR EACH ADVISOR MUST BE AT OR ABOVE ZONE ON QUESTION #10 AND QUESTION #16		
	1. PAY \$100 PER MONTH IF ADVISOR'S 3 MONTH AVERAGE SCORE ON QUESTION #10 IS AT OR ABOVE ZONE AVERAGE		\$100
	2. PAY \$100 PER MONTH IF ADVISOR'S 3 MONTH AVERAGE ON QUESTION #16 IS AT OR ABOVE ZONE AVERAGE		\$100
	3. PAY AN ADDITIONAL \$200.00 PER MONTH IF ADVISOR'S 3 MONTH AVERAGE SCORE ON QUESTION #10 IS 10% ABOVE THE ZONE AVERAGE. THE SAME \$200 BONUS APPLIES WHEN ADVISOR'S 3 MONTH AVERAGE SCORE ON QUESTION #16 IS 10% ABOVE THE ZONE AVERAGE.		\$200
TEAM BONUS	4. SMP 3 MONTH CSI (SSS) AVERAGE IS ABOVE DISTRICT	\$100	
FLUSH BONUS	LEVELS ARE NOT RETROACTIVE TO 1ST FLUSH		

		MAX PER LEVEL	
0 TO 20 FLUSHES -	.50 EACH	\$10	\$10
21 TO 40 FLUSHES -	\$2.00 EACH	\$40	\$40
40 TO 60 FLUSHES -	\$4.00 EACH	\$80	\$80
60 TO 80 FLUSHES -	\$6.00 EACH	\$120	
81 PLUS	- \$10.00 EACH		
TIRE BONUS	PAY \$2.50 PER TIRE SOLD ON CUSTOMER PAY WORK ORDERS		\$90
TOTAL WAGES & COMMISSION			\$4,763
ADVISOR:		DATE:	
Note: 3 Month Guarantee of \$3600.00			

I) Objectives, Tracking, Communication

Just like our sales department, the service advisors are expected to set goals and perform. Again, goals are set both individually and as a group to promote the team atmosphere and best customer satisfaction. The two main targets are Total Sales and Hours Per RO. Expectations include having a minimum 2 HRS/RO. These goals are tracked daily by both the Service Advisor and Service Manager through "advisor daily sales" in CDK. Discussions are had in how goals can be met. Service Advisors are to turn over every customer to either the Service Manager or Assistant Service Manager for sales help.



Service Advisor Monthly Goal Sheet

Daily
CP
Sales

Month	
Service Department Monthly CP Sales Goal	
Individual Advisor CP Sales Goal	
Working Days in the Month	
Daily CP Sales Target	
What do I need to do daily to achieve that Goal?	
Daily CP Sales Target	
# of CP Ro's per Day	
CP Sales per RO needed	
ELR	
Needed Hrs / Ro	
Service Dept. Monthly Alignment Goal	
Individual Advisor Alignment Goal	
Individual Advisor Tire Sales Goal	

Target = Individual Advisor CP Sales / Working Days in the Month

CP Sales per RO Needed = Daily CP Sales / # of CP Ro's per Day

Needed Hrs / Ro = CP Sales per RO / ELR

As with all departments, we have a top performer who is averaging 2.77 hours/RO on Customer Pay for the month of April and has accumulated over \$130,000 in

sales. This was as of the 25th so she has a lot more left in the month to go.

04/25/2018 09:48 AM Department Daily Sales Summary Page 1
 Advisor: 2 633 635 718 881 911 919 939 952 966 982 987 998 999 Labor Classes: C Status: Complete, Incomplete Date: 04/2018

ROs	Labor\$	LABOUR GROSS\$	Shop Charge\$	Labor Disc. \$	Parts\$	Parts Disc. \$	Misc\$	Sublet\$	Subtotal \$	Sold Hrs	Avg CP Sold Hrs / RO	Avg Hrs / RO	ELR	Parts GP%	GP%	Labor GP%		
Total	613	43,912.91	99,937.10	10,554.04	-1,302.07	98,970.39	-1,088.83	1,067.85	227.24	44,178.39	1,144.80	1.87	1.87	125.71	35.78	55.78	69.44	
SA	Advisor	ROs	Labor\$	LABOUR GROSS\$	Shop Charge\$	Labor Disc. \$	Parts\$	Parts Disc. \$	Misc\$	Sublet\$	Subtotal \$	Sold Hrs	Avg CP Sold Hrs / RO	Avg Hrs / RO	ELR	Labor GP%	Parts GP%	GP%
633	FRIESEN, REBECCA A	220	79,092.23	55,857.68	5,305.27	-817.61	53,955.75	895.97	586.69	.00	33,634.67	608.65	2.77	2.77	129.95	70.62	36.51	56.86
635	MCEWAN, CRYSTAL	1	317.95	235.45	31.80	.00	186.22	.00	.00	.00	504.17	2.20	2.20	2.20	144.52	74.05	41.46	62.01
718	BUECKERT, TYSON K	6	231.90	163.02	22.20	-10.00	137.73	-10.00	2.45	.00	372.08	2.80	0.47	0.47	82.82	70.30	33.36	56.82
911	DIEHL, MARSHAL	145	29,502.92	20,580.94	2,327.00	-235.00	19,476.77	-72.88	-1.23	90.74	49,069.20	237.00	1.63	1.63	124.48	69.76	35.32	55.98
939	LONGSTAFF, WADE	3	447.00	280.90	44.70	.00	2,281.88	.00	.00	.00	2,728.88	3.00	1.00	1.00	149.00	62.84	9.92	18.59
952	ZAKI, SHRAZ	136	30,126.63	20,915.47	2,409.64	-229.46	18,181.10	-79.98	496.12	136.50	48,940.35	237.45	1.75	1.75	126.88	69.43	36.47	57.13
966	LIZEE, JASON	101	4,174.33	1,883.69	411.43	-10.00	4,750.94	-30.00	-16.18	.00	8,909.09	53.70	0.53	0.53	77.73	45.13	38.94	42.01
999	HOUSE TECH	1	19.95	19.95	2.00	.00	.00	.00	.00	.00	19.95	.00	0.00	0.00	100.00			100.00

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J) Training

Training is provided by both GM Online as well as Jeff Cowan's Pro Talk. All Service Advisors have a minimum training standard and all are currently up to that standard for both courses. SMP also provides all service staff, other than technicians, with free phone training through Applied Concepts. The staff roleplay a series of call scenarios each week and listen back to them, with their instructor providing feedback.

K) Special Tool Room

The special tool room is a complete disaster and utterly unorganized in our dealership. The shop foreman, who has been with the dealership 30+ years, is the only one that can find anything in it and treats it like his baby. I liken him to the old hardware store owner that has shelves full of items in disarray but can still find anything you need. It's great that he knows where everything is but, when he is gone on holidays or a day off, no one else can find anything they need. Every time there is mention of organizing the special tool room, he gets moody and his "helpfulness" level drops. We cannot get rid of him, he will be retiring soon, so we are going to hold a "tool room intervention" to get him to see how unproductive an unorganized room is.

L) Repair Order Analysis

From my perspective, it looks like the shop is starting to do a phenomenal job of not discounting customer pay RO's. They are well above the targeted labor rate with their ELR and that's great. What was concerning to me was, that while we work on almost 50% older units, we have almost a 40% one item RO rate. The mix of Repair RO's compared to Competitive/Maintenance is right in line. We just need to give our team a chance to see more customers and that is definitely what our new service model is at SMP: RETENTION!!

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 3,576 ÷	26.71 =	133.87	FRH Average
Maintenance	\$ 4,406 ÷	29.60 =	148.85	FRH Average
Repair	\$ 12,942 ÷	86.80 =	149.10	FRH Average
Totals	\$ 20,924 ÷	143.11 =	146.21	Customer ELR
Target Labor Rate			127.79	Per FRH
Total Ro's in Sample	59	Difference	18.42	Per FRH

Cost of Labor

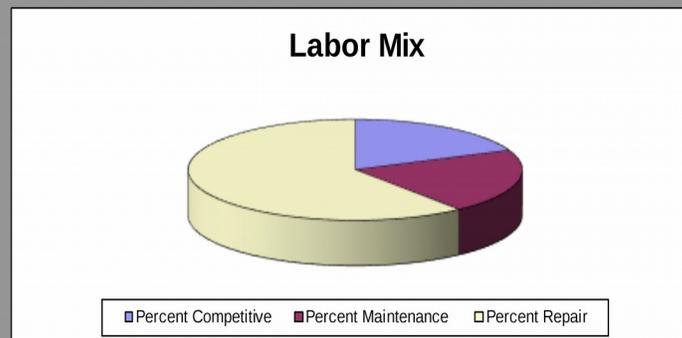
Total Cost of Labor	5067.10 ÷	Total Sales	=	24.22%	Percent Cost of Sales
Total Cost of Labor	5067.10 ÷	Total FRHs	=	35.41	Cost per FRH

Repair Order Measurements

Total Labor Sales	20,923.64 ÷	Total ROs	=	354.64	Avg Labor per RO
Total FRHs	143.11 ÷	Total ROs	=	2.43	Avg FRH's per RO
Menu Sales		Total ROs	=		Percent Menu Sales
Competitive FRHs	26.71 ÷	Total FRHs	=	18.66%	Percent Competitive
Maintenance FRHs	29.60 ÷	Total FRHs	=	20.68%	Percent Maintenance
Repair FRH	86.80 ÷	Total FRHs	=	60.65%	Percent Repair
One item ROs	23 ÷	Total ROs	=	38.98%	Percent One Item RO

Model Year Analysis

2019	2018	2017	2016	2015	2014	Older	Total
0	1	6	5	10	10	27	59
0.00%	1.69%	10.17%	8.47%	16.95%	16.95%	45.76%	



Service Department Analysis For Saskatoon Motor Products

Ben Roberts N332-007

Strengths

Excellent customer service with everyone committed to that goal

Very knowledgeable staff with 65+ years of Service Advisor experience

Factory trained technicians that are reliable(few sick days, etc)

Great service staff peer to peer working environment

Experienced Leadership communicating goals(Both Financially and CSI)

Location(We are located on the busiest street in Saskatoon)

Approachability of senior staff for mentoring

Knowledgeable Techs that will explain their findings to customers

A culture of “fixing it right the first time”

Service Manager is open to new ideas

Weaknesses

LACK OF WORK CURRENTLY - we are currently averaging 30% fewer appointments per day

High employee turnover - techs jumping from shop to shop looking for the perfect spot

Service staff morale is low

Staff feels like they are not listened to by upper management

Service and Sales do not share the same hours of operation

Lack of service advertising - radio, online, etc

Not advertising that we service ALL MAKES AND MODELS!!

Lack of competitive comparisons in service drive

Service advisors too busy or not at their desks to discuss with techs

Not exactly cost competitive

Shop Foreman set in his ways and creating an inhospitable work environment(The mood of one person can affect the entire morale of the department)

No reserve staffing options(If an advisor is sick or on holidays, customers notice)

SPECIAL TOOLS LOCATION AND ORGANIZATION

Older Equipment(When equipment such as our brake lathe go down, it is costly and often very time consuming to fix because of parts availability)

No stories in quick lube RO's so that techs can sell off of them

Opportunities

2 Quick Lube Bays - more opportunity to find more work for techs

Improve staff morale

Customer retention

Getting quotes to customers faster with proof so that they can make the right decisions

Getting quotes to customers faster so that techs do not have to put jobs on hold

“Summer travel package” for service

Present everything everytime by Service Advisors

Social media advertising

Retention

Working On ALL MAKES AND MODELS

Hours Of Operation

Threats

Large number of dealerships(3 GM stores alone in a city of 250,000) and independent repair shops in area

Vehicles require less service and service intervals are much longer

Not an immediate threat but electric vehicles will require only tire rotations as maintenance

Our current economy in Saskatchewan is in a bit of a downturn

A GM dealership across the street has an actual Quick Lube bay in the service drive

Employee turnover rate - customers are noticing

Our high shop rate - \$149 is top in our market

Long wait times for oil changes even though we advertise quick lube

Price based market for economy - Ex. Customer can purchased a battery at Costco for \$70 and have a shop replace it for another \$50. We charge over \$300

Independent shops poaching staff with higher wages

Fuel prices have hit \$1.30 per litre, altering customers purchase habits and priorities

Objectives

Improve customer retention from sales to service

Improve morale of service staff

Increase number of RO's per day

Decrease % of One-Line RO's

Increase Technician Proficiency

Increase Service Department Advertising for "ALL MAKES AND MODELS"

Strategies

Service Advisors are not allowed to discount parts or labor without Service Manager approval.

Make our presence known on social media and internet for working on “ALL MAKES AND MODELS”

First service booked at time of new and pre-owned deliveries

Increase service to sales retention

Advertise “High Mileage Club” which will give customer 10% OFF if they have over 100,000 km’s and 15% OFF if they have over 150,000 kms. This includes parts and labor

Decrease the “price based” aspect of customer concerns

Increase our servicing of large business fleets

Increase shop proficiency

Tactics

Service Manager looks at and tracks discounting daily.

Work with our marketing department to come up with creative and eye-catching ways to increase our service department flow

Our delivery process on new and pre-owned will require that sales staff, at minimum, introduce their customer to a service advisor to book first service appointment

“First Service” coupon and window hanger are implemented

Organize the special tool room and not care what one person thinks about it. This is meant to be a team sport.

Not only advertise the high mileage club but also send out email campaigns and follow up with calls from BDC

Create “Fleet Brochure” to attract fleet business. Have our Assistant Service Manager go to these businesses and explain the benefits in person

Create a Competitive Comparison board for SMP’s advantages that are not price based(ex. Factory trained techs, 65+ years service advisor experience, free alignment check, etc)

Create a non-dealer comparison board that is price based to show customers that the independent and larger chain shops do not have a price advantage

ACTION PLAN

- 1) Service Manager to Track Discounting - Done
- 2) Advertise Aggressively That We Repair ALL MAKES AND MODELS - Done
- 3) Install Non-Dealer Pricing In Service Drive - Marketing/Service Manager - June 1st, 2018
- 4) Implement Delivery Process For Sales To Service Handoff - Myself - June 1st, 2018
- 5) Install SMP Advantages Board In Service Drive - Marketing/Service Manager - June 1st, 2018
- 6) "First Service Coupon" For Sales Retention - Myself/Service Manager - May 1st, 2018
- 7) Create Fleet Brochure To Drive Fleet Business Into Service - Service Manager - July 1st, 2018
- 8) Organize Special Tool Room - Service Manager/Shop Foreman - July 1st, 2018
- 9) Implement Parts Runner Instead Of Back Counter Person - Parts/Service Managers - When we get the daily RO count back to where it should be.

Synopsis

The name of the game for SMP is retention. We need to retain more of our customer base in today's market. Retention will lead us to more RO's per day and get our facility utilization and tech proficiency at least up to standards.

By repairing all makes and models (advertising the heck out of it!!), concentrating on the sales to service handoff (which is being perfected as I write this), and increasing staff morale, we will be creating a very loyal customer base that should keep us all making money for a long time.

SMP is a 4th generation auto dealership and our Dealer Principal's family has been in the auto industry for over 100 years. This doesn't mean that we, by any means, know everything about this industry. With some of our older staff retiring and some newer ambitious staff coming into service, it's an exciting time. Some of these folks that are newer to our industry have amazing ideas and we need to start listening to them.

I believe that we have everyone on the same page, as staff is concerned, and we just need our leadership team to make sure things are implemented properly. Our management is open to listening to new ideas but we have to make sure that we aren't only listening to them. We need to make the decisions that will lead our dealership into the future or we will be left behind.