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."*

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To Increase my customer pay Gross Profit Margin by 5% from 69% GP Percentage to 74% GP Percentage by Decemeber 31, 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?

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By focusing on this goal, the service department will be able to increase our Gross Profit, without having to increase our sales.

The benefits of attaining this goal is earning more gross profit off of the existing sales, meaning we are getting the most out of the investment we have made in staffing, equipment and overall operations.

If we do not hit this goal, we are leaving low hanging fruit. We already have the sales, and I am confident that holding an extra 5% will not deter our customers from purchasing from us as long as we maintain the quality of service provided. This goal is important to me as I feel we are not reaching our full potential. With the NADA guide being 76%, this is the first step to get us closer to guide.

In order to achieve this extra Gross off of the same sales, dispatching and proper work distribution will be the key factor so we don't have higher paid techs performing smaller gross task which will erode our Gross Margin. We will ensure that our apprentices/lube techs which we will move to Flat Rate as well are handling these lower grossing job tasks.

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
Assess Tech Skill, pay and shop allocation	CDK	Service Manager	Proper List of tech Skills	May 30, 2023
Set up Flats for Maintenance Jobs	CDK	Service Manager, BDC Lead	New flat times for specific maintenance tasks that are require less skill	May 30, 2023
Set up Multiple Tech Rates Reg Tech Rate High Tech Rate	CDK	Service Manager	Charge Cust. more while paying skilled techs properly. Will allow us to maintain 74% GP	May 30th, 2023

SERVICE OPERATIONS HOMEWORK – ACTION PLAN

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

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We will monitor this daily and monthly. Our daily DOC from CDK along with Service Advisor Reports will show us our daily results. We also have a self generated Gross Per RO report which flags all Gross Profit Percentage, allowing us to quickly target RO's with low gross. From there we can audit these RO's to determine if there is a reoccurring situation such as discounting, dispatching or specific menu priced items that are decreasing our Gross Profit Percentage.

Potential Obstacles?

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Discounting from Advisors

Improper Work Distribution

Maintenance Work

Potential Solutions?

A

Ensure Advisors pay plans are focused on Gross rather than total Sales

Ensure dispatching codes are set up properly so specific tasks are given to specific technicians based on their experience level and pay

Have variable pay schedules for technicians such as low tech rate for maintenance work or flats. (.2 for oil change rather than traditional .3)

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

S M R T

Our CP sales for Jan through March averages to $188049 a month. With the remaining 9 months equating to $1,692,441 in sales our previous GP of 69.2 % would equate to $1,171,169. If we hit our target of 74% our new Gross would equate to $1,253,406 which is an extra $81,237 in Gross Profit.

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.

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Our plan to maintain our course on this is to educate all staff on the importance of gross and bonus them on Gross Profit. Ex, the dispatcher can be bonused on overall percentage so they are focused on distribution of work and the Advisors can be bonused on overall gross. By showing them the potential increase of $81,237 for the remainder of the year, it will be easy for them to buy in.