

*Service
Department
April 23
Analysis*

*Stivers Ford Montgomery
Daniel Flatt N414*



Advertising

Always trying to stay in front of current and potential customers with a competitive edge and being the leader against the competition.

We Currently, have traditional advertising as well as digital forms of advertising

Traditional advertisements periodic mailers sent through the USPS. We chose to purchase space on the back, outward facing cover to increase visibility. In this circular we advertise our all makes, all models Quick Lane tire & auto center. Each mailer is a different ad and makes the public aware of important events like our seasonal service specials. Our Quick Lane is a part of Stivers Ford dealership our ad is generic in nature, targeting all makes & models. Each ad has a photo with address and a basic map showing our locations. A unique phone number is posted which allows us to track the effectiveness of the advertisement. We know that if someone is calling that number it is because they saw it in this particular circular. Each ad is distributed to specific zip codes that are in our backyard at a cost from \$1200 to \$1,800/month to the dealership (after co-op reimbursement) pending the size of the mail piece. The success rates with this vary from 2.5%-3.5%

In addition to traditional non-targeted advertising sent through the mail, Stivers Ford also has other traditional methods of advertising in the form of billboards. For example, we have a two sided billboard on our property which advertises the Quick Lane tire center. Quick Lane caters to all vehicles and is an attractive service option for customers who either do not drive a Ford or who associate a branded dealership with high costs.

Brand compliant advertising is a cost effective method to reach potential customers as well as stay in front of current customers. Through programs with Ford and Quick Lane we are able to offset the cost of advertising, up to 100% in some cases.

In addition to 'traditional' non-targeted methods of advertisement, Stivers Ford also has several digital methods of advertisement. Perhaps the biggest benefit to digital advertising over that of traditional advertisement is that you can target your message specifically for your audience. This will help you to be more efficient, cost-effective and relevant to your audience. If traditional mailers are a 'shotgun' approach then digital advertisements can be seen as a sniper approach "one shot one kill" more specific approach. If implemented correctly, digital ads hit only your desired audience. In this example, we can target Ford or Lincoln owners with specials that are relevant to their make and model.

Advertising

Stivers Ford Service Department aims to capture email addresses from 100% of customers. Email is a cost effective and convenient way to stay in touch with customers. Through our CRM system and monthly pre paid campaigns, we can track the ownership cycle of a vehicle and target customers with offers for scheduled service at predicted intervals.

Stivers is proud to be on the forefront and leading edge of advertising technology with Ford pass mobile app and customer tracking campaigns. The Ford pass mobile app allows customers to view details including service hours and amenities of the Quick Lane. An appointment is not necessary for Quick Lane so customers cannot make an appointment on the app. The mobile Ford Pass app also allows customers to browse new and used vehicle inventory.

The biggest benefit of the Ford Pass mobile app is the ability to send specials to customers in the form of push notifications. Push notifications are alerts that automatically pop up on customer's cell phones alerting them of specials. These alerts are sent very frequently – roughly every other day.

Future plans for advertising are not projected to be much different than the current approach which is to saturate a market and stay on top of upcoming trends that allow us to be more cost effective and target our audience better.

Digital advertising

Proud To Announce the PREMIERE of



**FREE
MOBILE
SERVICE**



**FREE PICKUP
AND DELIVERY!**

Schedule Service

SERVICE SPECIAL

**LIFETIME BRAKE PAD
GUARANTEE****

**Available for Motorcraft® brake pads purchased after 7/1/14 and Omnicraft™ brake pads purchased after 7/1/17. Nontransferable. Replacement requires copy of original repair order and completion of any other necessary brake service, such as brake rotor service. Motorcraft or Omnicraft brake pads must be installed by U.S. Ford or Lincoln Dealership or Quick Lane® technician to be covered. Pads only; labor costs not included. Commercial delivery vehicles, taxi, limousine, postal, police, tow trucks, racing and emergency vehicles are excluded. Restrictions and exclusions apply. See Service Advisor for details through 05/31/23. Motorcraft® and Omnicraft™ are trademarks of Ford Motor Company.

SERVICE SPECIAL

**Buy 4 Tires Get A
\$100 MAIL IN
REBATE**

**Or Earn Up To 25,000 FordPass® Rewards
bonus Points when you buy four select tires.***

On these name brands: Michelin®, Pirelli®, Yokohama®, Goodyear, Dunlop, Bridgestone, Toyo®, BFGoodrich®, Firestone, Nitto®,

*Quick Lane®-installed retail purchases only. Limit one offer per vehicle. \$100 tire rebate or 25,000 FordPass Rewards Points on Michelin, Pirelli and Yokohama. \$70 tire rebate or 23,000 FordPass Rewards Points on Goodyear, Dunlop, Bridgestone and Toyo. \$60 tire rebate or 21,000 FordPass Rewards Points on BFGoodrich and Firestone. \$50 tire rebate or 21,000 FordPass Rewards Points on Nitto. \$40 tire rebate or 21,000 FordPass Rewards Points on Uniroyal. Medium/commercial Toyo tires are excluded. Must be enrolled in FordPass Rewards to receive FordPass Rewards bonus Points. Points are not redeemable for cash or check and have no monetary value. Point earning and redemption values are approximate and vary by products and services redeemed. See the FordPass Rewards Program terms and conditions at FordPassRewards.com for information regarding expiration, redemption, forfeiture and other limitations on FordPass Rewards Points. Offer valid 2/1/23 to 05/31/23. Submit rebate by 05/31/23 by mail-in rebate form or online at QuickLane.com. Cannot be combined with any other tire manufacturer-sponsored rebate/offer. Only available in the United States. See participating U.S. Quick Lane® for vehicle applications and offer details through 05/31/23. Quick Lane® is a registered trademark of Ford Motor Company.

Traditional advertising examples:



SERVICE SPECIAL

LIFETIME BRAKE PAD GUARANTEE**

**Available for Motorcraft® brake pads purchased after 7/1/14 and Omnicraft™ brake pads purchased after 7/1/17. Nontransferable. Replacement requires copy of original repair order and completion of any other necessary brake service, such as brake rotor service. Motorcraft or Omnicraft brake pads must be installed by U.S. Ford or Lincoln Dealership or Quick Lane® technician to be covered. Pads only; labor costs not included. Commercial delivery vehicles, taxi, limousine, postal, police, tow trucks, racing and emergency vehicles are excluded. Restrictions and exclusions apply. See Service Advisor for details through 02/28/23. Motorcraft® and Omnicraft™ are trademarks of Ford Motor Company.

SERVICE SPECIAL

FORD PARTS WARRANTY

UNLIMITED MILEAGE INCLUDES LABOR

2 YEARS

FORD PARTS WARRANTY: TWO YEARS.

UNLIMITED MILEAGE. INCLUDES LABOR.**

Ford parts are covered for a full two years with unlimited mileage. Even limited labor costs are included.*

**See your U.S. dealership for a copy of the limited warranty through 02/28/23.

SERVICE SPECIAL

The Works®* synthetic blend oil change & more*

\$54⁹⁵

Tire Rotation and Pressure Check • Brake Inspection • Vehicle Checkup • Fluid Top-Off • Battery Test • Filter Check • Belts and Hoses Check

**Up to six quarts of Motorcraft® oil and Motorcraft oil filter. Hybrid battery test excluded. See participating U.S. dealership for details through 02/28/23. Motorcraft® is a registered trademark of Ford Motor Company.



COME VISIT 1 OF OUR 2 GREAT SERVICE LOCATIONS

4000 Eastern Bypass
Montgomery, AL 36116
(334) 533-4200

[CLICK HERE TO SCHEDULE YOUR APPOINTMENT](#)

7901 Vaughn Rd
Montgomery, AL 36116
(334) 533-4200

[CLICK HERE TO SCHEDULE YOUR APPOINTMENT](#)

Marketing

Advertising is defined as 'making your product or service known to an audience or marketplace.' Marketing, then, is 'preparing a product for marketplace'. I see advertising as "getting in front of your customer" and marketing as "staying relevant with your customer." Staying relevant with customers and customer retention are the most important aspects of the service business.

Stivers Ford Lincoln and the accompanying Quick Lanes Tire & Auto centers are in a unique position in that we can cater specifically to Ford & Lincoln customers and also all makes without diluting our premium image. The main service drive caters individually to Ford and Lincoln Customers and the separate Quick Lane caters to all customers in need of basic maintenance and tire needs. Ford & Lincoln customers are treated to brand specific trained service advisors and will soon have the luxury of waiting in a world class customer lounge. There is a big value component at play with factory trained Ford and Lincoln service advisors and technicians, as well as a shuttle van, loaner cars, or customer lounge for those needing to wait or looking for a ride to work. For this type of clientele, the main service drive will be the main draw. For a budget conscious customer or those only needing an oil change or tire repair then the Quick Lanes will be the perfect option. Quick Lane is marketed as a brand agnostic service center. Quick Lane has its own marketing agenda that is unique from that of any Ford or Lincoln product. For customers who associate a branded service drive with higher costs Quick Lane is an attractive option. Regardless of whether a customer goes to Quick Lane or the main service drive, it is a win win all the way around for the customer and the dealership.

Stivers Ford Lincoln markets to everyone in our backyard. We want to bring in Ford and Lincoln customers as well as those from other makes. A '94 Ford Mustang, 2023 Ford Mustang GT500 or an F-550 Super Duty work truck – they are all in our marketing crosshairs at Quick Lane.

The Ford Pass mobile app is a great marketing tool. Ford Pass not only allows drivers to start & stop their vehicle remotely, it also allows them to check the health of their vehicle, see service history & check service reminders. My favorite aspect of Ford Pass is the rewards component which allows customers to earn points each and every time they get their vehicle worked on. By accumulating points with each visit, customers are drawn back to the dealership for their next visit to either earn more points or redeem points they have earned.

One of the more valuable insights I have gained at Dealer Academy came from the Non-Dealer competitive maintenance pricing survey. Branded dealerships are often perceived as expensive options versus those of their non-dealer competitors. However, the Pricing Survey reassured me that Stivers Ford Lincoln is more than competitive in our own backyard.

Facility Utilization

The facility utilization calculation has to be one of the most insightful and eye opening tasks thus far. There are far too many fixed costs associated with running a dealership to leave potential revenue dollars uncaptured. Fixed Ops drives more dollars to the bottom line than any part of the dealership. Why are we not maximizing our facility to it's full potential? Why do our service hours not mirror that of the sales department? Why do we continue to use the standard 6 day/week 7:00 a.m.-6:00 p.m. work schedule? Airlines and factories show us that in order to maximize potential you must run equipment as many hours per day as possible. Is it possible to have a tech in a bay 12, 14, 16 or 20 hours/day 6 days a week AND have happier employees? If you throw conventional wisdom to the side, it is very possible. Conventional wisdom would say 1 tech per bay per day. But what if techs only worked 4 days per week? What if techs aren't tied to one bay and instead moved with their tools? What if more than one tech worked on a vehicle? What if the parts department was manned 24 hours per day? In order to get facility utilization above to 100%, conventional wisdom needs to be revisited.

Despite hitting the high expectations month after month, and the fixed operations department of Stivers Ford Lincoln at 80% utilization. (see next page) We feel there is still a lot of potential to increase revenue and because each dollar of fixed revenue contributes more to the bottom line than anywhere else in the dealership it also means there is tremendous potential to increase income.

So, how do we get there? We need to look at what our potential is then set the first bar at 100% utilization. What is our potential? We currently have 48 service bays. Using 4 bays at 13 hours/bay/day (sales is open until 7:00pm) that means we have 637 hours/day to sell. That equates to slightly over \$97,225/day using an effective labor rate of \$152.

With the understanding that you must first crawl before you walk, Stivers Ford Lincoln is currently exploring options to get to 100% utilization using our current service department hours. The objective is to figure out how to get \$2,025/stall/day. We are exploring options that include working in teams, changing hours to include 4-10's and/or a 2nd shift, alterations to the way work is dispatched, roll carts for tools and expanding parts delivery to maximize the time technicians are in the bay.

Facility Potential vs. Utilization:

FACILITY POTENTIAL	
Number of Bays	48
	x
Number of Days	22.5
	x
Number of Hours	11
	x
Effective Labor Rate	152.63
FACILITY POTENTIAL	\$ 1,813,244

FACILITY UTILIZATION	
Total Labor Sales	\$ 413,893
	÷
Facility Potential	\$ 1,813,244
	<i>equals</i>
FACILITY UTILIZATION	22.83%

Productivity

Technician proficiency is much the same story as facility potential. Despite record revenue months, proficiency hovers around 83%.

Productivity is defined as hours worked over hours available. While it is optimistic and potentially realistic to assume productivity will increase when we move into the new facility, we've got to address the root cause of sub par proficiency.

As with all other metrics, we must first set a realistic goal then break it down into manageable objectives that we can track day by day.

Incentives for techs to turn more hours include sliding pay scales in which they earn a base rate for 40 hours, slightly more for 41-45 hours, a higher rate for 46-50 and still more for 50+ hours/week. The other side of the equation is that techs will get penalized for performing less than 40hours/week.

An important aspect to consider is that unlike facility utilization, achieving 100% productivity is not only unrealistic, it is not possible. For example, nobody is expected to work 100% of the time they are at work. Factors like breaks & meals come into play. You spend time retrieving vehicles, waiting on parts and test driving vehicles. As a result, the productivity benchmark has been set at roughly 85%.

How proficient are your technicians ?							
	2,711.7	÷	3,240.00	=	83.69%		
	Hours Billed		Hours Available		Tech Proficiency		

Production Method

Production method is big topic of discussion as we transition from an old, space constrained facility into a new facility at the beginning of the year.

Among the changes that are being looked at are some of the topics discussed in NADA Dealer Academy. Among the biggest challenges that Stivers Ford Lincoln faces day in and day out is hiring qualified techs. This is an industrywide issue and requires big commitment to work through. While it is not brand new, we work alongside technical colleges, vocational schools & high schools local to our area to attract talent. Additionally, we work with a recruiter who focuses on developed techs. To take it a step farther, we advertise in select markets throughout the country in an attempt to attract trained techs who have interest in joining our team. Those are some of the options we are looking at on the hiring front. On the production side, we will begin experimenting with working in teams. Each team will be led by a foreman and group of techs comprising all the skill sets necessary. Techs will be mobile throughout the shop aided by roller toolboxes. By doing this, we can have multiple people working on one vehicle rather than having to move the vehicle. The benefits will be decreased opportunity for an accident as well as increased throughput.

Also under consideration is the way in which techs get paid. Currently, we optimize A work for A techs, B work for B techs etc. But what if, instead of paying techs based on their flat rate pay schedule, we paid them as a percentage of labor sales. With a target of 73% gross labor margin this means that any tech would get paid 27% of gross labor regardless of how qualified they are. This would enable higher qualified techs to turn more hours but not hurt the bottom line.

Analyze Cost of Labor

The main focus with respect to labor is UNAPPLIED TIME.

Changes in Expense Structure

If the question is, “are your expenses in line?” then the answer is yes. If the question is “do you have room for improvement?” the answer is yes. It is possible to have all your expenses in line as a percent of gross and still have room for improvement.

One of the major expenses associated with a fixed operations department is the fixed costs to keep it running. Rent, utilities, property taxes etc... they don't care if you are 15% efficient or 150% efficient.

The first and largest change that will begin to take effect at the turn of the year will be extending service hours to mirror those of sales and potentially beyond. There is a large opportunity cost by not selling all the hours we have available to sell. There is also an opportunity cost in worker productivity and happiness if they can get as much work done in 4 days as they currently do in 5 by working 10 hour shifts.

Through balancing our staffing situation with our labor needs we can optimize productivity.

While it is no silver bullet, we do have an easy hand to play through our manufacturer. Yearly we are requesting an increase in Ford warranty labor rate and parts sales gross increase. Doing this will help gross and not impact our amount of customer payro counts. Last we were able to increase it by 46 dollars in our Montgomery location. The increases are a direct positive impact to our bottom line and profits.

ARE YOU FOCUSED?????

SELL AVAILABLE HOURS!!!

EXPENSES IN LINE?

Pay Plans

There is only one thing to sell in the service department: ***HOURS***

Inspection based selling is key to success in the service drive. Product and services must be sold when the customer is in the service drive and in front of the service advisor. At that point the service advisor can answer all questions face to face that a customer has. Once the customer has left the drive it becomes a chore to track them down to approve service recommended by a tech which leads to inefficiency.

Pay plans must drive performance and be tied to a percentage of gross. For example, service labor needs to contribute at least 75% and parts has a minimum acceptable gross ratio of 35%.

Pay plans must not track gross. When pay plans track gross, employees make more money for doing the same amount of work and the dealer gets the short end of the stick. As such, both advisors and tech pay plans currently and will continue to be based on hours sold or hours worked.

Take the following situation where a customer needs to replace an engine costing \$10,000. Unlike a typical part, the gross on an engine is not 35%, it may be capped at a flat rate of \$750. Say the employee were on a pay plan that paid him or her 4, 5 or 6%. In that situation, the service advisor could earn 80% of the gross revenue, leaving the dealership with only \$150 of a \$10,000 part.

Detail Performance Programs

A number of procedures and programs are in place to ensure the service department is meeting its daily, weekly & monthly goals. The first step is to set a realistic goal. Let them know the amount of dollars we need to clear to cover fixed costs and the amount to make that particular month. Go over what that number is then break it down into daily goals.

As the saying around here goes, “inspect what you expect.” This means set an achievable monthly or quarterly goal, break it down into smaller weekly or daily goals and inspect the weekly or daily production to make sure you are on target to achieve that goal.

The fixed operations director holds 8:30 a.m. meetings each day with his direct reports where they each update him on their respective Key Performance Indicators. Additionally, they discuss any news, updates or changes since the last meeting. The managers bring the director up to date on unresolved issues from the day prior and the director makes announcements that affect the service department. It is very much a two way dialogue meeting where everyone has the opportunity to speak.

The Shop foreman meets with his techs daily to relay findings from the 8:30 a.m. meeting as well as to be brought up to speed on any issues from the previous 24 hours. He goes over daily goals with his techs about what he expects from them each day as well.

Goals are posted in the service drive and tracking numbers are updated and posted daily. This way there is no question as to where we want to be and where we stand.

There is a weekly meeting at the close of business on Tuesday afternoons between service managers and service writers. The meeting is similar to that of the daily 8:30 a.m. morning meeting – goals are discussed, tracking trends are discussed, ideas & suggestions are talked about and an opportunity for each service advisor to speak is available throughout the meeting.

One area of opportunity that exists is communication between upper management and techs.

Level of Current Training

Training is a changing aspect of the service industry. Due to the difficulty of finding qualified techs the bar for joining the industry has been reset lower and lower. Ford used to require each tech to be trained to a certain level in order to receive warranty reimbursement. Now Ford only requires that one member of a team be trained appropriately to receive reimbursement.

Stivers Ford Lincoln falls within the training standards set by our manufacturer. As an incentive to employees to attend training classes we reward techs with \$25 for attending class as well as pay them by the hour to attend. Additionally, there are online courses which all employees are required to take that is specific to their position.

For the time being, Stivers Ford Lincoln is compliant and does not foresee any changes moving forward.

Special Tools

Our special tools are located in the parts department and checked in and out by the tech through the parts department and they are held accountable / responsible for the part until it is turned back in. This will help increase technician proficiency by keeping the technicians from wasting time by walking around the shop looking for a special tool instead of jumping on the job. IDS computers are considered special tools and the rule will follow these as well.

100 Repair Order Analysis

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 2,995	÷ 47.90	= 62.53	FRH Average
Maintenance	\$ 2,380	÷ 19.60	= 121.44	FRH Average
Repair	\$ 18,973	÷ 108.60	= 174.71	FRH Average
Totals	\$ 24,349	÷ 176.10	= 138.27	Customer ELR
Target Labor Rate			135.00	Per FRH
Total Ro's in Sample	100	Difference		3.27 Per FRH

Cost of Labor

Total Cost of Labor	6231.95	÷ Total Sales	= 25.59%	Percent Cost of Sales
Total Cost of Labor	6231.95	÷ Total FRHs	= 35.39	Cost per FRH

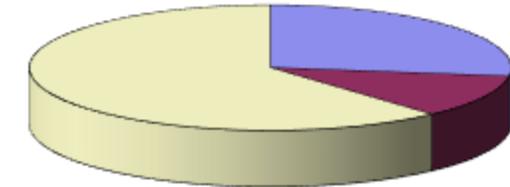
Repair Order Measurements

Total Labor Sales	24,348.89	÷ Total ROs	= 243.49	Avg Labor per RO
Total FRHs	176.10	÷ Total ROs	= 1.76	Avg FRH's per RO
Menu Sales		÷ Total ROs	=	Percent Menu Sales
Competitive FRHs	47.90	÷ Total FRHs	= 27.20%	Percent Competitive
Maintenance FRHs	19.60	÷ Total FRHs	= 11.13%	Percent Maintenance
Repair FRH	108.60	÷ Total FRHs	= 61.67%	Percent Repair
One item ROs	77	÷ Total ROs	= 77.00%	Percent One Item RO

Model Year Analysis

2024	2023	2022	2021	2020	2019	Older	Total
0	2	10	9	10	10	59	100
0.00%	2.00%	10.00%	9.00%	10.00%	10.00%	59.00%	

Labor Mix



■ Percent Competitive ■ Percent Maintenance □ Percent Repair

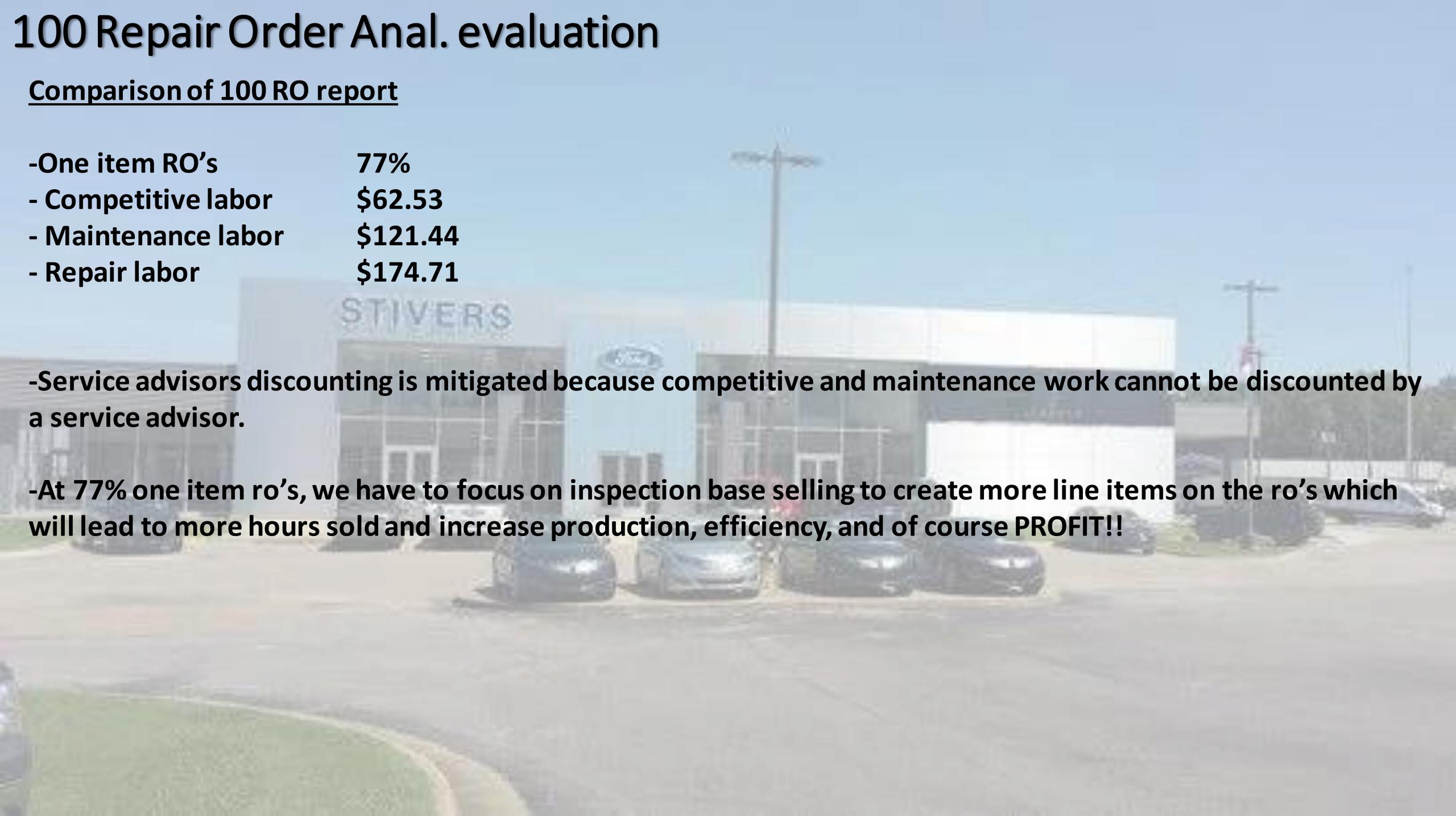
100 Repair Order Anal. evaluation

Comparison of 100 RO report

-One item RO's	77%
- Competitive labor	\$62.53
- Maintenance labor	\$121.44
- Repair labor	\$174.71

-Service advisors discounting is mitigated because competitive and maintenance work cannot be discounted by a service advisor.

-At 77% one item ro's, we have to focus on inspection base selling to create more line items on the ro's which will lead to more hours sold and increase production, efficiency, and of course PROFIT!!



April SWOT Analysis

Stivers Ford Montgomery

Daniel Flatt--N414

STRENGTHS

- HUGE EXISTING CUSTOMER BASE
- TENURED EMPLOYEES
- INDOOR CLIMATE CONTROL SHOP

OPPORTUNITIES

- FLEET SERVICE ACCTS
- ACCESSORY SALES / INSTALL
- STAFFING / RECRUITING

WEAKNESS

- TECH STAFFING IS LOW
- BACK LOG OF CUSTOMER PAY WORK
- BACK LOG OF INTERNAL TURN AROUND TIME

THREATS

- NEW DEALERSHIP OWNERSHIP IN TOWN
- EMPLOYEE ATTRITION
- PARTS HOLD / RECALLS BY MFG

SWOT Analysis Action Plan

OBJECTIVES

- HIRE MORE TECHS
- ADJUST WORK SCHEDULE / WORKING HOURS
- ENSURE WE ARE USING PROPER TIME MANAGEMENT

STRATEGIES

- HIRING LOCAL TECH STUDENTS WITH A GROWTH PLAN
- NEW LOCAL TECHS HANDLE BACK LOG
- TENURED TECH HANDLE FRESH BUSSINESS

TACTICS

- CREATE SCHEDULE FOR NEW TECHS TO HANDLE BACK LOG PROPERLY AND EFFICIENTLY
- HAVE WEEKLY MEETING TO DISCUSS SPECIFIC GOALS AND TARGETS
- INCENTIVE NEW AND TENURED TECH TO HIT SAID GOALS

Homework Calculations:

April financial statement

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 224,444	\$ 166,216	74.06%	54.23%
Customer Truck			0%	0%
Customer Other			0%	0%
Warranty	\$ 87,280	\$ 60,590	69.42%	21.09%
Warranty Other			0%	0%
Internal	\$ 102,169	\$ 79,110	77.43%	24.68%
NVI / Road Ready			0%	0%
Adj. Cost Of Labor			0%	0.00%
Total	\$ 413,893	\$ 305,916	73.91%	100.00%

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 304,498		
Variable Expense		0.00%	
Selling Expense	\$ 140	0.05%	
Personnel Expense	\$ 154,479	50.73%	
Semi-Fixed Expense		0.00%	
Fixed Expense	\$ 104,353	34.27%	
Unallocated Expense		0.00%	
Dealer's Salary	\$ 3,375	1.11%	
Total Expenses	\$ 262,347	86.16%	
Net Profit	\$ 42,151	13.84%	

NADA ACTUAL SERVICE ANALYSIS					
Performance					
	Labor Sales / Month		Hourly Labor Rate		Hours Billed
Customer Car*	\$ 224,444	+	154.95	=	1448.5
Customer Truck*		+		=	0.00
Customer Other*		+		=	0.00
Warranty	\$ 87,280	+	144.53	=	603.9
Internal	\$ 102,169	+	154.95	=	659.4
New Vehicle Prep		+		=	0.00
Total	\$ 413,893				2711.7
POTENTIAL					
	\$ 413,893	+	2711.75	=	\$ 152.63
Total labor sales for month		Total hours billed		Effective Labor Rate	
	18.00	x	8	x	23
# Service mechanical technicians		# Hours/Day		Working Days/Month	
	3,240.0	x	\$ 152.63	=	\$ 494,520
Clock Hours Available		Effective Labor Rate		Labor sales potential	
How proficient are your technicians ?					
	2,711.7	+	3,240.00	=	83.69%
Hours Billed		Hours Available		Tech Proficiency	
Customer labor divide by the Customer Effective Labor rate from the R. O. Analysis					

FACILITY POTENTIAL	
Number of Bays	48
	x
Number of Days	22.5
	x
Number of Hours	11
	x
Effective Labor Rate	152.63
FACILITY POTENTIAL	\$ 1,813,244

FACILITY UTILIZATION	
Total Labor Sales	\$ 413,893
	+
Facility Potential	\$ 1,813,244
	equals
FACILITY UTILIZATION	22.83%

SYNOPSIS

- It's apparent with our staffing issues paired with a backlog of work we are missing out on gross revenue for the dealership. It is also causing a constraint on taking on new tickets combined with slowed down PDI's and UCI's.
- To address these factors and achieve objectives, we aim to hire more techs, adjust work schedules and hours, and ensure efficient time utilization. The strategy involves hiring local tech students with a growth plan, assigning them to handle the backlog of work while tenured techs focus on new business.
- By implementing these strategies and tactics, we can effectively address weaknesses, leverage strengths and opportunities, and mitigate threats. This will contribute to improved efficiency, customer satisfaction, and overall business performance. Regular evaluation and adaptation of the implemented measures will be necessary to ensure continued growth and success in the competitive automotive industry.