

NADA Service Homework

COLONIAL KIA CHRIS HARRIS N419

MAY 2023

Marketing

- ▶ USE KIA SYSTEM FOR MAILERS, EMAIL BLASTS, AND SOCIAL MEDIA
- ▶ MORE COMPETITIVE OFFERS ON OUR OWN WEBSITE. ALSO CHANGE EXPIRATIONS DATES TO INCREASE URGENCY
- ▶ MONITOR THE USE OF COUPONS BY SERVICE MANAGER WEEKLY TO IDENTIFY WHERE AD MONEY SHOULD BE USED



Analyze Cost of Labor

- ▶ Monitor work dist. Increase ELR
- ▶ 75-78% gross as % of sales
- ▶ Evaluate warranty rate with Kia
- ▶ Evaluate most common op codes and increase
- ▶ Monitor over the next 90 days

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 63,804	\$ 43,964	68.90%	35.35%
Customer			0%	0%
Customer Other			0%	0%
Warranty	\$ 69,332	\$ 53,491	77.15%	38.42%
Warranty Other			0%	0%
Internal	\$ 47,343	\$ 36,471	77.04%	26.23%
NVI / Road Ready			0%	0.00%
Adj. Cost Of Labor	\$ -	\$ (3,888)	0%	0.00%
Total	\$ 180,479	\$ 130,038	72.05%	100.00%

Changes in Expense Structure

- ▶ Service manager to review expenses weekly.
- ▶ Lower expenses by 1%
- ▶ Conduct training with techs. To lower policy. Manage loaner car expense through Kia Flex Program
- ▶ Review and monitor in 90 days

Expense Category	Dollar Amount	% of Gross
Department Gross	\$ 130,038	
Variable Expense		0.00%
Selling Expense	\$ 37,790	29.06%
Personnel Expense	\$ 47,739	36.71%
Semi-Fixed Expense		0.00%
Fixed Expense	\$ 30,054	23.11%
Unallocated Expense		0.00%
Dealer's Salary		0.00%
Total Expenses	\$ 115,583	88.88%
Net Profit	\$ 14,455	11.12%

Productivity

- ▶ Current tech proficiency is 112.43%
- ▶ Improve tech proficiency to 120%
- ▶ Decrease one line RO's. Meet every two weeks with technicians to discuss objectives. Train express techs and use video MPI to decrease one line RO's
- ▶ Manager monitor for 90 days

NADA ACTUAL SERVICE ANALYSIS

Performance

	Labor Sales / Month		Effective Labor Rate		Hours Billed
Customer Car*	\$ 63,804	+	101.42	=	629.1
Customer Truck*		+		=	0.00
Customer Other*		+		=	0.00
Warranty	\$ 69,332	+	119.71	=	579.2
Internal	\$ 47,343	+	115.21	=	410.9
New Vehicle Prep	\$ -	+		=	0.00
Total	\$ 180,479				1619.2

POTENTIAL

\$ 180,479	+	1619.20	=	\$ 111.46
Total labor sales for month		Total hours billed		Effective Labor Rate
8.00	x	8	x	23
# Service mechanical technicians		# Hours per day for one tech		Working Days/Month
1,440.0	x	\$ 111.46	=	\$ 160,505
Clock Hours Available		Effective Labor Rate		Labor sales potential @ 100%
				Labor sales potential @ 112%

How proficient are your technicians ?

1,619.0	+	1,440.00	=	112.43%
Hours Billed		Hours Available		Tech Proficiency

Facility

- ▶ 7 techs and 16 bays
- ▶ Add three more techs in the next 90 days
- ▶ Work with HR department. Offer employee spiff for new hire.
- ▶ Plans to evaluate your changes

FACILITY POTENTIAL	
Number of Bays	16
	x
Number of Days	22.5
	x
Number of Hours	8
	x
Effective Labor Rate	\$ 111.46
FACILITY POTENTIAL	\$ 321,010

FACILITY UTILIZATION	
Total Labor Sales	\$ 180,479
	÷
Facility Potential	\$ 321,010
	equals
FACILITY UTILIZATION	56.22%



Repair order analysis

- ▶ We have a very good work mix
- ▶ Advisors are properly managing the ELR.
- ▶ Area of opportunity are one line repair orders, training on MPI with the express techs. We also need to work with techs on video MPI's

Repair Order Analysis Summary Report							
	Sales In Dollars	FRH's on RO's	Averages	Analyze			
Competition	\$ 658	10.27	64.54	FRH Average			
Maintenance	\$ 5,930	65.00	35.38	FRH Average			
Repair	\$ 7,075	68.50	143.18	FRH Average			
Total	\$ 13,663	143.77	113.85	Customer FRH			
		Time of Labor					
		FRH	112.00	per FRH			
Total RO's in System	100	Direct repair	14.38	per FRH			
Cost of Labor							
Total Cost of Labor	\$475.30	Total Sales	\$2,200.00	Percent Cost of Sales			
Total Cost of Labor	\$475.30	Total FRH's	143.77	Cost per FRH			
Repair Order Measurements							
Total Labor Sales	14,572.36	Total RO's	146.77	Cost Labor per RO			
Total FRH's	131.27	Total RO's	1.30	Cost FRH's per RO			
Total Sales	13,663	Total RO's	25	Percent Menu Sales			
Competition FRH's	10.27	Total FRH's	7.74%	Percent Competition			
Maintenance FRH's	65.00	Total FRH's	49.36%	Percent Maintenance			
Repair FRH's	68.50	Total FRH's	42.87%	Percent Repair			
One Line RO's	24	Total RO's	16.35%	Percent One Line RO's			
Model Year Analysis							
2019	2020	2021	2022	2023	2024	Other	Total
8	11	12	9	9	9	50	100
8.00%	11.00%	12.00%	9.00%	9.00%	9.00%	50.00%	

Labor Mix



SWOT Analysis

▶ Strengths ▶ STRENGTHS

- ▶
- 1. OVERALL SHOP MORALE IS VERY HIGH
- 2. KIA AS A BRAND IS EXPERIENCING A REMARKABLE EXPLOSION IN SALE GROWTH. THIS IS CREATING MORE UNITS IN OPERATIONS
- 3. THE FACILITY IN THE SHOP HAS PLENTY OF ROOM FOR EXPANSION WITH 16 BAYS. CAPACITY IS NOT AN ISSUE
- 4. OVER ALL TEAM WORK IN THE SHOP IS VERY HIGH.
- 5. EXPERIENCED SERVICE WRITERS WITH A MINNIUM OF 4 YEARS EXPERIENCE.
- 6. MARKETING WITH KIA MAILERS, FACEBOOK ADS, AND EMAIL BLASTS WITH OUTSELL ARE A STRENGHT.
- 7. DISCOUNTING IS NOT CURRENTLYLY A PROBLEM
- 8. TECH PROFIECENCY IS AT 112%



SWOT Analysis

► Weaknesses

1. COMMUNICATION WITH CUSTOMERS
2. POOR CSI SCORES
3. POOR FACILITY USEAGE AT 56%
4. NO NON DEALER COMPETITIVE PRICING BOARD
5. DO NOT USE THE TECHNOLOGY (KIA PARTS SYSTEM FOR SERVICE WRITERS, AND RAPID RECON, AND LOW ELECTRONIC MPI'S.
6. HIGH NUMBER OF ONELINE RO'S AT 50%
7. SALES AND SERVICE HOURS DO NOT MATCH SALES M-F 9-8 AND SAT 9-6. SERVICE IS 7:30-5:30M-F AND SAT 8-1:30.
8. CLEARLY DEFINED CAREER PATH FOR SERVICE EMPLOYEES
9. TRAINING ON SALES SKILLS FOR SERVICE WRITERS
10. WORKING ON ALL MAKE AND MODELS CAN BE CHALLENGING.
11. CURRENTLY SCHEDULING APPTS 10-12 DAYS OUT



SWOT Analysis

► Opportunities

1. RAPID GROWTH IN THE NEW CAR DEPT BOTH FOR KIA THE BRAND AND THE STORE PUTTING MORE UNITS IN OPERATION
2. SET SCHEDULE FOR CUSTOMER FOLLOW UP. WRITERS CURRENTLY ONLY CALL WITH UPDATES WHEN WORK IS DONE
3. TRAINING ON WORKING ON OTHER MAKE AND MODELS
4. CHANGE SERVICE HOURS TO BETTER MATCH SALES DEPT HOURS
5. INSTALL A NON-DEALER COMPETITIVE PRICING BOARD IN SERVICE
6. HIRE 2 MORE TECHS TO CUT DOWN ON APPOINTMENT WAIT TIMES AND INCREASE SHOP UTILIZATION
7. TRAINING WITH BOTH LUBE TECHS AND SERVICE WRITERS TO DECREASE THE NUMBER OF ONE LINE RO'S
8. INTRODUCE VIDEO MPI'S TO HELP DECREASE THE NUMBER OF ONELINE RO'S
9. BETTER USEAGE OF KIA'S PARTS ORDERING SYSTEM AND RAPID RECON.
10. DEVELOP A CLEAR DEFINED CARREER PATH FOR SERVICE PERSONNEL
11. OFFER PICK UP AND DROP OFF AND MOBILE SERVICES



SWOT Analysis

► Threats

1. THERE ARE A NUMBER OF INDEPENDENT REPAIR SHOPS IN OUR AREA. MANY OF THEM HAVE LONGER HOURS OF OPERATIONS AND A FEW ARE OPEN ON SUNDAYS
2. CUSTOMER RETENTION IS A STRUGGLE BECAUSE THE NEW CAR DEPT IS SELLING TO A HIGH NUMBER OF CUSTOMERS THAT ARE OUTSIDE OF OUR PMA.
3. SERVICE STAFF LACK OF COMMUNICATION WITH CUSTOMERS
4. DIFFICULTY ATTRACTING QUALITY TECHS.
5. THE ECONOMY



SWOT Analysis

► Objectives

1. INCREASE FACILITY USEAGE
2. DECREASE THE NUMBER OF ONE LINE RO'S
3. INCREASE USE OF TECHNOLOGY BY SERVICE DEPT
4. DECREASE CUSTOMER WAIT TIMES FOR SERVICE APPOINTMENT
5. INCREASE SERVICE COMMUNICATION WITH CUSTOMERS
6. INCREASE CSI SCORE
7. INCREASE RETENTION ON CUSTMERS OUTSIDE OF PMA



SWOT Analysis

► Strategies

1. HIRE THREE MORE TECHS TO INCREASE FACILITY USEAGE AND HELP WITH CUSTOMER WAIT TIMES FOR APPONTMENTS
2. INCREASE SERVICE HOURS TO 7:30-6:30 M-F AND SATURDAY 8-3PM
3. POST NON-DEALER COMPETITIVE PRICING BOARD AT THE SERVICE WRITERS DESK
4. TRAIN LUBE TECHS AND SERVICE WRITERS TO DECREASE ONE LINE RO'S
5. USE VIDEO MPI'S TO DECREASE ONE LINE RO'S
6. HAVE SERVCIE WRITERS ON A FOLLOW UP SCHEDULE WITH CUSTOMERS.
7. GIVE PROMISE TIMES TO INCREASE CSI
8. SALES DEPT TO SELL MORE PREPAID MAINT. CONTRACTS TO HELP COMBAT SELLING OUTSIDE OF OUR PMA
9. HIRE SHUTTLE DRIVER FOR PICK UP AND DROP OFF FOR SERVICE CUSTOMERS TO HELP WITH CUSTOMERS OUTSIDE OF OUR PMA



SWOT Analysis

► Tactics

1. WORK WITH HR DEPT TO CREATE BETTER ADS ON JOB SITES TO ATTRACT MORE TECHNICIANS
2. PAY A SPIFF FOR EMPLOYEE REFERRALS FOR NEW HIRES
3. HIRE LOT PORTER TO HELP WITH PICK UP AND DROP OFF
4. TRAIN EXPRESS TECH TO DO A BETTER MULTI POINT INSPECTION
5. TRAIN SERVICE STAFF TO PERFORM VIDEO MPI'S
6. TRAIN SERVICE WRITERS IN SALES SKILLS TO DECREASE ON-LINE RO'S
7. PLACE SPIFF TO FINANCE MANAGERS TO INCREASE PREPAID MAINTANCE ON NEW SALES
8. INCREASE SERVICE HOURS TO 7:30-6:30 M-F AND SATURDAY 8-3PM
9. POST NON-DEALER COMPETITIVE PRICING BOARD AT THE SERVICE WRITERS DESK
10. SERVICIE WRITER FOLLOW UP SCHEDULE CALL CUSTOMERS AT 11 AND 5 WITH UPDATES



SWOT Analysis

TASK	Position responsible	Check in/completion schedule
COMPETITIVE PRICING BOARD	SERVICE MANAGER	7/1/23
HIRE 3 TECHS	SERVICE MANAGER	10/1/23
CHANGE SERVICE HOURS	GENERAL MANAGER	10/1/23
HIRE LOT PORTER (PICK UP DROPP OFF)	SERVICE MANAGER	8/1/23
TRAIN EXPREESS TECHS	SERVICE MANAGER	8/1/23
SALES TRAINING ADVISORS	GSM	8/1/23
VIDEO MPI'S	SERVICE MANAGER	9/1/23
PREPAID MAINT	GSM	7/1/23
CHIEF FINANCE		

Homework Synopsis

- ▶ Synopsis
- ▶ The service department overall has high morale and is performing at a high level in tech proficiency. However it is evident that we are not using the facility to its full potential. The growth in our customer base and the additional bays that we currently have allows us to grow with our customer base. We need to hire a minimum of 3 techs to increase our facility usage and decrease our customer wait times for appointments. A increase in service hours will also help with these two problems. This will also help us with our CSI scores.
- ▶ Due to the amount of sales the Sales Department selling so many cars outside of our PMA, the Service Department has to embrace pick up and drop off services for customers outside of our PMA. This will help our retention rate and also help with future sales for the Sales Dept. This will also have a positive effect on our CSI scores
- ▶
- ▶ It is also evident that we do a very poor job with communicating with our service customers. This leads to frustrating, poor CSI, and the lose of future revenue. This is perhaps our largest problem in the service department. It is not from a lack of caring or effort. It appears as if it derives from a lack of organization. We will be immediately implementing a follow up schedule with the service writers
- ▶
- ▶ The other issue we have is one line RO's. When speaking with the service manager he feels the problem resides with the express techs. He is going to work with them on performing better MPI's. I will work with the service writers in sales techniques and handling objections. We are also going to start training on video MPI's.
- ▶
- ▶ All of these changes will help with CSI and our continued growth as a dealership.
- ▶





Repair Order Analysis *and Summary*

7/7/2023

cma colonial kia

Dealership

chris harris

Student

419

Class #

Repair Order Analysis

				Competitive Labor		Maintenance Labor		Repair Labor		Total Cost of Labor	One Item Repair Order
Dealership				Labor Sales	Flat Rate Hours	Labor Sales	Flat Rate	Labor Sales	Flat Rate Hours		
RO Number	Year	Model	Mileage								
101616	2023	K5	9,361	20.00	0.40	0.00	0.00	0.00	0.00	7.80	1
101617	2020	SORENTC	30,129	0.00	0.00	78.97	1.03	0.00	0.00	31.93	0
101618	2022	SORENTC	23,851	0.00	0.00	22.07	0.33	0.00	0.00	10.23	1
101619	2022	TELLURID	18,653	0.00	0.00	129.95	1.30	0.00	0.00	40.30	1
101623	2016	OPTIMA	78,871	0.00	0.00	22.07	0.33	0.00	0.00	6.44	1
101624	2019	OPTIMA	103,573	0.00	0.00	47.02	0.73	0.00	0.00	21.90	0
101625	2023	FORTE	12,254	0.00	0.00	47.02	0.73	0.00	0.00	22.63	0
101626	2015	OPTIMA	161,161	0.00	0.00	54.02	0.53	0.00	0.00	15.90	0
101627	2022	SELTOS	6,143	0.00	0.00	31.95	0.30	0.00	0.00	9.00	1
101628	2017	SORENTC	88,551	0.00	0.00	22.07	0.33	0.00	0.00	6.44	1
101629	2017	FORTE	68,746	0.00	0.00	22.07	0.33	0.00	0.00	4.95	1
101630	2023	SOUL	739	0.00	0.00	0.00	0.00	382.13	2.50	77.50	0
101631	2017	CADENZA	97,538	0.00	0.00	22.07	0.33	0.00	0.00	10.23	1
101632	2020	SPORTAG	26,269	20.00	0.40	47.02	0.73	0.00	0.00	22.04	0
101633	2018	OPTIMA	75,294	20.00	0.40	47.02	0.73	0.00	0.00	22.04	0
101634	2021	SORENTC	32,173	20.00	0.40	0.00	0.00	0.00	0.00	7.80	1
101638	2023	SPORTAG	18,170	0.00	0.00	54.02	0.63	0.00	0.00	18.90	0
101640	2023	SPORTAG	20,182	0.00	0.00	22.07	0.33	0.00	0.00	4.95	1
101641	2022	FORTE	16,568	0.00	0.00	22.07	0.33	0.00	0.00	4.95	1
101643	2020	SORENTC	13,320	20.00	0.40	22.07	0.33	0.00	0.00	18.25	0
101645	2017	SORENTC	80,632	0.00	0.00	78.98	0.83	142.85	1.00	62.22	0
101647	2023	FORTE	4,011	0.00	0.00	47.02	0.73	0.00	0.00	0.00	0
101649	2021	SELTOS	30,429	0.00	0.00	130.48	1.20	0.00	0.00	30.00	0
101651	2016	SORENTC	118,188	0.00	0.00	73.97	0.83	142.82	1.00	35.69	0
101653	2015	OPTIMA	157,319	0.00	0.00	22.07	0.33	0.00	0.00	5.28	1
101654	2013	SOUL	125,015	0.00	0.00	22.07	0.33	0.00	0.00	8.25	1
101655	2010	SOUL	106,111	0.00	0.00	234.42	2.00	0.00	0.00	39.00	0
101662	2019	SEDONA	35,374	20.00	0.40	0.00	0.00	0.00	0.00	13.60	1
101658	2013	OPTIMA	161,026	0.00	0.00	331.28	3.00	0.00	0.00	75.00	0
101678	2016	SOUL	52,548	0.00	0.00	22.07	0.33	0.00	0.00	5.28	1
101679	2018	SOUL	69,342	0.00	0.00	22.07	0.33	0.00	0.00	4.95	1
101682	2007	SPORTAG	201,208	0.00	0.00	0.00	0.00	142.85	1.00	31.00	1
101683	2023	TELLURID	14,075	0.00	0.00	47.02	0.73	0.00	0.00	14.24	0
101684	2015	SOUL	65,216	34.95	0.60	0.00	0.00	0.00	0.00	11.70	0
101685	2018	OPTIMA	113,087	0.00	0.00	367.82	3.30	0.00	0.00	112.20	0
101678	2016	SOUL	52,548	0.00	0.00	22.07	0.33	0.00	0.00	11.22	1
101686	2011	OPTIMA	189,067	0.00	0.00	0.00	0.00	142.85	1.00	31.00	1
101690	2020	OPTIMA	92,064	0.00	0.00	172.17	1.93	0.00	0.00	37.64	0
101691	2021	TELLURID	48,398	0.00	0.00	47.02	0.73	0.00	0.00	11.68	0
101693	2016	SORENTC	73,237	0.00	0.00	0.00	0.00	142.85	1.00	31.00	1
101696	2016	OPTIMA	113,383	0.00	0.00	0.00	0.00	428.55	3.00	75.00	0
101697	2015	OPTIMA	77,437	0.00	0.00	489.76	4.00	0.00	0.00	124.00	0
101698	2020	SOUL	40,952	0.00	0.00	176.97	1.63	0.00	0.00	31.79	1
101757	2022	SORENTC	18,503	20.00	0.40	22.07	0.33	0.00	0.00	18.25	0
101760	2016	SEDONA	60,348	20.00	0.40	0.00	0.00	0.00	0.00	7.80	1
101761	2020	SPORTAG	55,492	0.00	0.00	47.02	0.73	0.00	0.00	11.68	0
101764	2017	FORTE	76,538	0.00	0.00	201.22	2.03	0.00	0.00	50.75	0
101765	2017	SPORTAG	60,857	0.00	0.00	80.75	0.83	0.00	0.00	20.75	0
101769	2015	OPTIMA	101,266	0.00	0.00	0.00	0.00	142.85	1.00	31.00	0
101770	2023	SELTOS	10,945	0.00	0.00	42.07	0.73	0.00	0.00	14.97	0
RO's 51-100 Totals				194.95	3.80	3,413.94	36.56	1,667.75	11.50	1,321.08	22
Date of Study: Study Compiled by				C Labor		M Labor		R Labor		Total Cost of Labor	One Item Repair Order
				Labor Sales	Flat Rate Hours	Labor Sales	Flat Rate	Labor Sales	Flat Rate Hours		

Repair Order Analysis Summary Report

	Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive	\$ 658 ÷	10.20 =	64.54	FRH Average
Maintenance	\$ 5,939 ÷	65.00 =	91.36	FRH Average
Repair	\$ 7,975 ÷	56.50 =	141.16	FRH Average
Totals	\$ 14,572 ÷	131.70 =	110.65	Customer ELR
		Target Labor Rate	112.00	Per FRH
Total Ro's in Sample	100	Difference	-1.35	Per FRH

Cost of Labor

Total Cost of Labor	3475.30 ÷	Total Sales =	23.85%	Percent Cost of Sales
Total Cost of Labor	3475.30 ÷	Total FRHs =	26.39	Cost per FRH

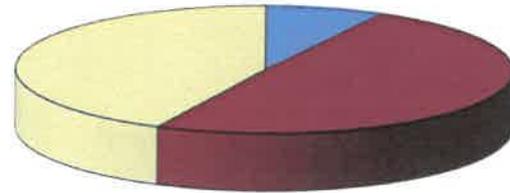
Repair Order Measurements

Total Labor Sales	14,572.36 ÷	Total ROs =	145.72	Avg Labor per RO
Total FRHs	131.70 ÷	Total ROs =	1.32	Avg FRH's per RO
Menu Sales		Total ROs =		Percent Menu Sales
Competitive FRHs	10.20 ÷	Total FRHs =	7.74%	Percent Competitive
Maintenance FRHs	65.00 ÷	Total FRHs =	49.35%	Percent Maintenance
Repair FRH	56.50 ÷	Total FRHs =	42.90%	Percent Repair
One item ROs	50 ÷	Total ROs =	50.00%	Percent One Item RO

Model Year Analysis

2024	2023	2022	2021	2020	2019	Older	Total
0	11	12	9	9	9	50	100
0.00%	11.00%	12.00%	9.00%	9.00%	9.00%	50.00%	

Labor Mix



■ Percent Competitive ■ Percent Maintenance ■ Percent Repair

Service Department Sales And Gross (Labor Only)

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 63,804	\$ 43,964	68.90%	35.35%
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Adj. Cost Of Labor		\$ (3,888)	0%	0.00%
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Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross
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POTENTIAL

$$\begin{aligned}
 & \$ 180,479 \div 1619.20 = \$ 111.46 \\
 & \text{Total labor sales for month} \quad \text{Total hours billed} \quad \text{Effective Labor Rate} \\
 & 8.00 \times 8 \times 23 = 1,440.0 \\
 & \text{\# Service mechanical technicians} \quad \text{\# Hours per day for one tech} \quad \text{Working Days/Month} \quad \text{Clock Hour Avail} \\
 & 1,440.0 \times \$ 111.46 = \$ 160,505 \quad 200631.2 \\
 & \text{Clock Hours Available} \quad \text{Effective Labor Rate} \quad \text{Labor sales potential @100\%} \quad \text{Labor sales potential @ 125\%}
 \end{aligned}$$

How proficient are your technicians ?

$$1,619.0 \div 1,440.00 = 112.43\%$$

Hours Billed Hours Available Tech Proficiency

FACILITY POTENTIAL

Number of Bays	16
Number of Days	22.5
Number of Hours	8
Effective Labor Rate	\$ 111.46
FACILITY POTENTIAL	\$ 321,010

FACILITY UTILIZATION

Total Labor Sales	\$ 180,479
Facility Potential	\$ 321,010
FACILITY UTILIZATION	56.22%

QUALITATIVE ANALYSIS

CHRIS HARRIS

N419 MAY 2023

COLONIAL KIA

STRENGTHS

- 1 OVERALL SHOP MORALE IS VERY HIGH
 - 2 KIA AS A BRAND IS EXPERIENCING A REMARKABLE EXPLOSION IN SALE GROWTH. THIS IS CREATING MORE UNITS IN OPERATIONS
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WEAKNESSES

1. COMMUNICATION WITH CUSTOMERS
 2. POOR CSI SCORES
 3. POOR FACILITY USAGE AT 56%
 4. NO NON DEALER COMPETITIVE PRICING BOARD
 5. DO NOT USE THE TECHNOLOGY (KIA PARTS SYSTEM FOR SERVICE WRITERS, AND RAPID RECON, AND LOW ELECTRONIC MPI'S.
 6. HIGH NUMBER OF ONELINE RO'S AT 50%
 7. SALES AND SERVICE HOURS DO NOT MATCH SALES M-F 9-8 AND SAT 9-6. SERVICE IS 7:30-5:30M-F AND SAT 8-1:30.
 8. CLEARLY DEFINED CAREER PATH FOR SERVICE EMPLOYEES
 9. TRAINING ON SALES SKILLS FOR SERVICE WRITERS
 10. WORKING ON ALL MAKE AND MODELS CAN BE CHALLENGING.
 11. CURRENTLY SCHEDULING APPTS 10-12 DAYS OUT
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OPPORTUNITIES

1. RAPID GROWTH IN THE NEW CAR DEPT BOTH FOR KIA THE BRAND AND THE STORE PUTTING MORE UNITS IN OPERATION
 2. SET SCHEDULE FOR CUSTOMER FOLLOW UP. WRITERS CURRENTLY ONLY CALL WITH UPDATES WHEN WORK IS DONE
 3. TRAINING ON WORKING ON OTHER MAKE AND MODELS
 4. CHANGE SERVICE HOURS TO BETTER MATCH SALES DEPT HOURS
 5. INSTALL A NON-DEALER COMPETITIVE PRICING BOARD IN SERVICE
 6. HIRE 2 MORE TECHS TO CUT DOWN ON APPOINTMENT WAIT TIMES AND INCREASE SHOP UTILIZATION
 7. TRAINING WITH BOTH LUBE TECHS AND SERVICE WRITERS TO DECREASE THE NUMBER OF ONE LINE RO'S
 8. INTRODUCE VIDEO MPI'S TO HELP DECREASE THE NUMBER OF ONELINE RO'S
 9. BETTER USAGE OF KIA'S PARTS ORDERING SYSTEM AND RAPID RECON.
 10. DEVELOP A CLEAR DEFINED CARREER PATH FOR SERVICE PERSONNEL
 11. OFFER PICK UP AND DROP OFF AND MOBILE SERVICES
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THREATS

1. THERE ARE A NUMBER OF INDEPENDENT REPAIR SHOPS IN OUR AREA. MANY OF THEM HAVE LONGER HOURS OF OPERATIONS AND A FEW ARE OPEN ON SUNDAYS
 2. CUSTOMER RETENTION IS A STRUGGLE BECAUSE THE NEW CAR DEPT IS SELLING TO A HIGH NUMBER OF CUSTOMERS THAT ARE OUTSIDE OF OUR PMA.
 3. SERVICE STAFF LACK OF COMMUNICATION WITH CUSTOMERS
 4. DIFFICULTY ATTRACTING QUALITY TECHS.
 5. THE ECONOMY
-

OBJECTIVES

1. INCREASE FACILITY USEAGE
 2. DECREASE THE NUMBER OF ONE LINE RO'S
 3. INCREASE USE OF TECHNOLOGY BY SERVICE DEPT
 4. DECREASE CUSTOMER WAIT TIMES FOR SERVICE APPOINTMENT
 5. INCREASE SERVICE COMMUNICATION WITH CUSTOMERS
 6. INCREASE CSI SCORE
 7. INCREASE RETENTION ON CUSTMERS OUTSIDE OF PMA
-

STRATEGIES

1. HIRE THREE MORE TECHS TO INCREASE FACILITY USAGE AND HELP WITH CUSTOMER WAIT TIMES FOR APPOINTMENTS
 2. INCREASE SERVICE HOURS TO 7:30-6:30 M-F AND SATURDAY 8-3PM
 3. POST NON-DEALER COMPETITIVE PRICING BOARD AT THE SERVICE WRITERS DESK
 4. TRAIN LUBE TECHS AND SERVICE WRITERS TO DECREASE ONE LINE RO'S
 5. USE VIDEO MPI'S TO DECREASE ONE LINE RO'S
 6. HAVE SERVICE WRITERS ON A FOLLOW UP SCHEDULE WITH CUSTOMERS.
 7. GIVE PROMISE TIMES TO INCREASE CSI
 8. SALES DEPT TO SELL MORE PREPAID MAINT. CONTRACTS TO HELP COMBAT SELLING OUTSIDE OF OUR PMA
 9. HIRE SHUTTLE DRIVER FOR PICK UP AND DROP OFF FOR SERVICE CUSTOMERS TO HELP WITH CUSTOMERS OUTSIDE OF OUR PMA
-

TACTICS

1. WORK WITH HR DEPT TO CREATE BETTER ADS ON JOB SITES TO ATTRACT MORE TECHNICIANS
 2. PAY A SPIFF FOR EMPLOYEE REFERRALS FOR NEW HIRES
 3. HIRE LOT PORTER TO HELP WITH PICK UP AND DROP OFF
 4. TRAIN EXPRESS TECH TO DO A BETTER MULTI POINT INSPECTION
 5. TRAIN SERVICE STAFF TO PERFORM VIDEO MPI'S
 6. TRAIN SERVICE WRITERS IN SALES SKILLS TO DECREASE ON-LINE RO'S
 7. PLACE SPIFF TO FINANCE MANAGERS TO INCREASE PREPAID MAINTANCE ON NEW SALES
 8. INCREASE SERVICE HOURS TO 7:30-6:30 M-F AND SATURDAY 8-3PM
 9. POST NON-DEALER COMPETITIVE PRICING BOARD AT THE SERVICE WRITERS DESK
 10. SERVICE WRITER FOLLOW UP SCHEDULE CALL CUSTOMERS AT 11 AND 5 WITH UPDATES
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TASK	BY WHOM	COMPLETION
COMPETITIVE PRICING BOARD	SERVICE MANAGER	7/1/2023
HIRE 3 TECHS	SERVICE MANAGER	10/1/23
CHANGE SERVICE HOURS	GENERAL MANAGER	10/1/23
HIRE LOT PORTER	SERVICE MANAGER	8/1/23
TRAIN EXPRESS TECHS	SERVICE MANAGER	8/1/23
SALES TRAINING ADVISORS	GSM	8/1/23
VIDEO MPI'S	SERVICE MANAGER	9/1/23
PREPAID MAIN SPIFF FINANCE	GSM	7/1/23
SERVICE WRITER FOLLOW UP SCHE.	SERVICE MANAGER	7/1/23
TRAIN ON TECH USEAGE(RAPID RECON)	SERVICE MANAGER	8/1/23
DAILY SERVICE MEETINGS TO TRACK		
PROGRESS.	SERVICE MANAGER	DAILY

SYNOPSIS

The service department overall has high morale and is performing at a high level in tech proficiency. However it is evident that we are not using the facility to its full potential. The growth in our customer base and the additional bays that we currently have allows us to grow with our customer base. We need to hire a minimum of 3 techs to increase our facility usage and decrease our customer wait times for appointments. A increase in service hours will also help with these two problems. This will also help us with our CSI scores.

Due to the amount of sales the Sales Department selling so many cars outside of our PMA, the Service Department has to embrace pick up and drop off services for customers outside of our PMA. This will help our retention rate and also help with future sales for the Sales Dept. This will also have a positive effect on our CSI scores

It is also evident that we do a very poor job with communicating with our service customers. This leads to frustrating, poor CSI, and the lose of future revenue. This is perhaps our largest problem in the service department. It is not from a lack of caring or effort. It appears as if it derives from a lack of organization. We will be immediately implementing a follow up schedule with the service writers

The other issue we have is one line RO's. When speaking with the service manager he feels the problem resides with the express techs. He is going to work with them on performing better MPI's. I will work with the service writers in sales techniques and handling objections. We are also going to start training on video MPI's.

All of these changes will help with CSI and our continued growth as a dealership.

Repair Order Analysis Summary Report

		Sales in Dollars	FRH's on RO's	Averages	Analysis
Competitive		\$ 658	÷ 10.20	= 64.54	FRH Average
Maintenance		\$ 5,939	÷ 65.00	= 91.36	FRH Average
Repair		\$ 7,975	÷ 56.50	= 141.16	FRH Average
Totals		\$ 14,572	÷ 131.70	= 110.65	Customer ELR
		Target Labor Rate		112.00	Per FRH
Total Ro's in Sample		100		-1.35	Per FRH

Cost of Labor

Total Cost of Labor	3475.30	÷ Total Sales	=	23.85%	Percent Cost of
Total Cost of Labor	3475.30	÷ Total FRHs	=	26.39	Cost per FRH

Repair Order Measurements

Total Labor Sales	14,572.36	÷ Total ROs	=	145.72	Avg Labor per R
Total FRHs	131.70	÷ Total ROs	=	1.32	Avg FRH's per F
Menu Sales		÷ Total ROs	=		Percent Menu S
Competitive FRHs	10.20	÷ Total FRHs	=	7.74%	Percent Compet
Maintenance FRHs	65.00	÷ Total FRHs	=	49.35%	Percent Maintner
Repair FRH	56.50	÷ Total FRHs	=	42.90%	Percent Repair
One item ROs	50	÷ Total ROs	=	50.00%	Percent One Ite

Model Year Analysis

2024	2023	2022	2021	2020	2019
0	11	12	9	9	9
0.00%	11.00%	12.00%	9.00%	9.00%	9.00%
					5

