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Larry's Ramblings

Many of you reading this will have just returned from the *NADA 100th Anniversary Convention* in New Orleans. If you stopped by our booth and said hello, **thank you for taking time to stop and visit with us!** It sure is nice to see our Industry back on top again! Of course everyone who has been around as long as I have knows that "this too shall pass!"

I am especially proud that both Gary and I were selected to present workshops at the New Orleans NADA Convention. This is Gary Edwards' *second* convention workshop and my *sixteenth*. I do not know if this is the first time NADA has ever had a father and son giving workshops at the same convention, but I can assure you it is a very proud moment in my career. One of the greatest compliments a child can give to a parent is to follow in their parents footsteps.

I am extremely proud that my son has chosen to follow my career path. I guess soon I will have to start worrying when he is going to park me out back with the other "over aged models."

E&A's New Approach to Handling Service Customers

Automotive Service has evolved more in the *last ten* years than in the last fifty years. Advancements in electronics, smart cars, on board diagnostics, high fuel economy engines are just a few of the things that are challenging dealership Service Departments ability to keep up. One thing that has not changed in over one hundred years is the role of the Service Advisor. Service Advisors, in today's world, are being asked to handle more tasks than one person can keep up with in one day. In

addition to being an expert multi-tasker, they must also exceed every service customer's expectations.

It almost takes a Magician to be a Great Service Advisor in today's world. As a result of the stress of this job, turnover in this position is at crisis levels in most Dealerships. Good Advisors earn from \$75,000 to over \$100,000 yet we see very few people who apply for this position. *Why?* Because the stress will KILL YOU! Anyone who believes I am wrong needs to write service for one week, I guarantee you will agree with me this is the **toughest job** in the Dealership... maybe the toughest job on the planet!

This job is tough because we are asking one person to do more each day than is physically possible. Edwards & Associates has been trying to combat Advisor burnout by reducing the number of repair orders one Advisor handles every day. Over the last twenty years we have reduced this number from twenty five repair orders per day down to ten repair orders per day. While this has helped, it has not solved the high turnover and burnout that this position experiences.

The solution is not more Advisors, the solution requires a new approach to handling service customers. E&A's new approach employs a Service Host and Service Lane Supervisors working together as a team. Hosts write-up customers and focus on keeping customers happy and informed. Supervisors focus on the technical aspects of this job; working with Technicians, quoting prices, selling customers additional needed work, dealing with warranty issues, dealing with Manufacturer recalls, and insuring quality work is being performed.

E&A's new Service Write-Up Structure reduces the need to have a lane full of highly skilled Service Advisors. This structure also lowers your overall support cost while increasing coverage on the lane. Our new structure places a Service Host or Hostess in the traditional Advisors role. This is very similar to the Sales Process many Dealerships already employ. The Service Host greets customers, writes repair orders, conducts the Walk Around with the customer, presents the Service Menu, and when appropriate, attempts to upsell the customer from an Oil Change to a Factory Recommended Maintenance Service. They also quote prices from the Service Department Pricing Guide and keep the customers informed of their vehicles status throughout the Repair Process.

We employ a "traditional" Advisor as a "Service Lane Supervisor" who works with the Service Hosts to answer technical questions customers might have, dispatch jobs to Technicians, contact customers, and handle any MPI upsells that might be needed. This position also handles all warranty issues from the Manufacturers and any Extended Warranty Companies. Service Lane Supervisors also close all of the repair orders and flag the Technicians.

Dealership Service Benefits associated with this new structure:

1. Skilled Service Advisors are very hard to find, this structure reduces the need for a lane full of highly skilled Advisors
2. Hostesses are much easier to recruit and require much less training than is needed to develop a Service Advisor
3. Hostess pay ranges are 40% to 60% less than a Service Lane Supervisor
4. Service Lane Supervisor pay can be increased by 10% to 30%, thus helping retain your already skilled Service Advisors as Service Lane Supervisors
5. Customers are responding well to the new system because they are getting more personal attention than customers are typically able to get with the current Service Staffing Structure. This structure gives customers a TEAM of Employees to assist them, instead of the current structure which only gives the customer one point of contact
6. Service Supervisors can handle up to four Service Hosts each this structure allows the Dealership to employ more Staff on the Service Lane at a lower cost than if they employed all Service Advisors

This new process allows the Service Department to employ more people on the Service Lane without increasing Salary Expenses. One issue we find in many Dealerships today that are fortunate enough to have a good Staff of Service Advisors, is high salary costs. It is nearly impossible for a Service Manager to have a good Staff of Service Advisors and labor costs that are within guide.

Why is a new approach to Service Drive staffing necessary? Dealers cannot find competent Service Advisors today. Managers are finding that bringing in a "Green Pea" and attempt to train them to become an Advisor is an exercise in futility. We find that as many as 90% of new hires burn out before they ever learn all of the skills that are necessary to be successful in today's Dealership Service Department. High turnover on the Service Lane keeps the Manager in a perpetual training mode, leaving them little time to actually manage the Service Department.

If you are interested in learning more about this new approach to Service Lane staffing please give me a call at 800-708-7587 and let's discuss how this program might work in your Dealership!

Manager Weekly Meetings

Manager Weekly Meetings are critical to your Department's success. One of the things all highly successful Managers have in common is they all hold regularly scheduled meetings with their Staff. Meetings are the best method a Manager can use to build a high performing organization. We recommend that weekly meetings not exceed 30 minutes and that you publish an agenda in advance so that everyone can have time to think through what you want to address.



Here is a sample agenda that we recommend Managers consider:

- *What caused a slow-down of any kind during the past week?*
- *What work scheduling issues hampered your production last week?*
- *What parts issues occurred during the past week?*
- *What Service Write-Up issues hampered your production last week?*
- *What technical items need attention in some way?*
- *What equipment or tools need maintenance or repair?*
- *What tools or equipment should we add to our wish list?*
- *Which certifications or classes have you completed during the past week?*
- *What suggestions do you have about anything that will improve our Department's results?*

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Volume 171, February 2017

A Publication of Edwards & Associates Consulting, Inc.

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