



November 7-11, 2022  
BOOTH #227

# The 3 Most Ignored Processes in Today's RV Service Department



Presented by:  
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# About Ken Barnes

Ken was born and raised in a small town in Northeast Oklahoma and grew up working on cars. So, it was natural that he would continue his education at nearby Pittsburg State University where he graduated with a Bachelor's degree in Automotive Technology and a minor in Business Administration. Prior to DealerPRO Training, Ken spent 25 years in Fixed Operations Departments, working for franchised auto dealers – first as a Technician, then Shop Foreman, and, ultimately, Fixed Operations Director for a large dealer organization overseeing 300 employees, grossing over \$900,000 per month in Fixed Ops. Currently, he is the Director of Sales Operations for DealerPRO Training, where he has worked with hundreds of Auto and RV dealerships for the last 15 years. Ken's vast experience in the US and Canada, helping dealers increase profits in Fixed Operations and improve their overall performance, has brought him to the forefront as being one of the industry's most knowledgeable guest speakers. He presents workshops at NADA, Performance 20 groups, ATD, NATDA, RVDA, NTP Stag and Hunter Engineering-sponsored workshops amongst others.

DealerPRO Training is the largest Performance-Based Fixed Operations Training Organization in North America. Our exclusive Performance Driven Training builds your team into top customer retention specialists. Our proven, in-dealership performance driven training initiatives have produced additional gross profits for our dealers that beat their previous year's performance by up to 30% or more. We've accomplished these remarkable results by NOT being "consultants" in your dealership. But by being Trainers....teaching and coaching your dealership service team to provide every customer with the highest level of service they possibly can on each and every visit.

## Voted #1 Fixed Ops Training Company in the U.S.



- Announced in June 2017 by Auto Dealer magazine, DealerPRO Training was voted #1 in the category of Fixed Ops Training. Over 2,600 Dealers participated in the "write-in" survey.
- Given the modest size of our company, as well as our small marketing/advertising budget, this speaks volumes about the impact our training has on Dealers, their Dealership's profitability and their employees, all over the U.S. and Canada.
- We believe it's also because we understand the retail service operation like no one else...and achieve results...like no one else!



- What are the 3 Most Ignored Processes?
- Why are they ignored?
- How are we going to correct it?
- What are the benefits?

## #1 Menu

### So we have to ask:

Do you use Menus in your F&I Department? \_\_\_\_ yes \_\_\_\_ no

### Why do you use them?

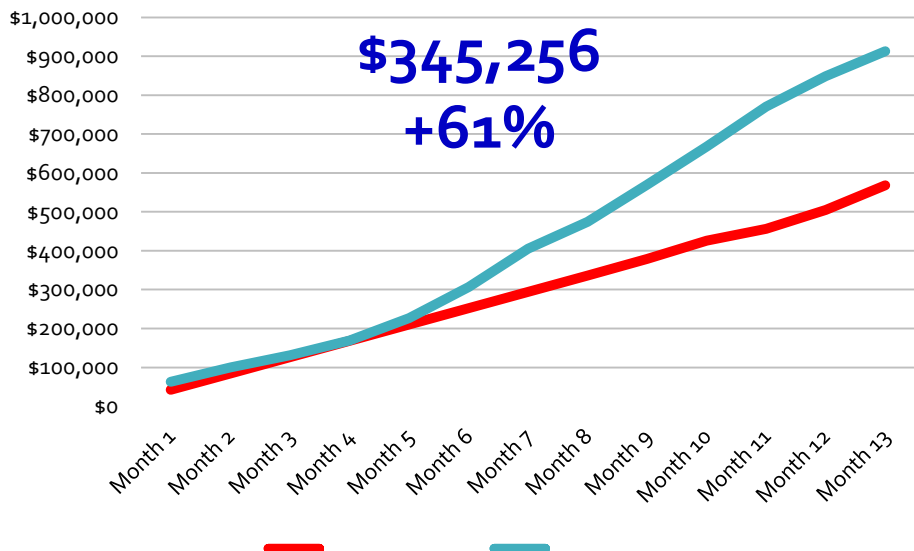
1. To provide the Customer with a higher level of service
2. To Increase Gross per Vehicle Sold
3. Consistency

### 80% of Service Departments are NOT using a Maintenance Menu! WHY?

- Managers don't know how to build a proper Menu?
- Service Advisors don't know how to present Menus
- Dealers are not committed to making Menus a priority

“Even the worst menu can increase sales.”

### Menu – GA RV Dealer 12 Month Gross Profit Increase of



Let's take a look at an actual Dealer's YTD performance who recently made this commitment:



If you had an opportunity to increase your F&I  
Income by 61%, would you be interested?

*What would you measure?*

**F & I Producers**

- Finance Penetration
- ESC Penetration
- Tire & Wheel
- Roadside Assistance
- Gross Per Retail Unit

*Make Sense?*

**Service Advisors**

- # of Repair Orders per day
- \$ Sales per Day
- # of Menu Sales per day
- Sales per CP Repair Order
- Hours per Repair Order

*Make Sense?*

## Menu Processes: **F&I vs. Service**

### **F&I**

- ✓ 100% Feature/Benefit Presentations
- ✓ Present Customer with Options
- ✓ Track Individual Performance
- ✓ Measure Results Daily
- ✓ Continuous Training

### **Service**

- ✓
- ✓
- ✓
- ✓
- ✓

**Same PROCESSES Different TRAINING!**

**100% Compliance requires Dealer's Commitment!**

## #2 Multi Point Inspection

### So we have to ask:

Do you perform a Multi Point Inspection on all Used Units?

\_\_\_ yes \_\_\_ no

### Why should you do them on EVERY used RV?

1. To provide the Customer with a higher quality RV
2. To Increase Gross per Unit Sold

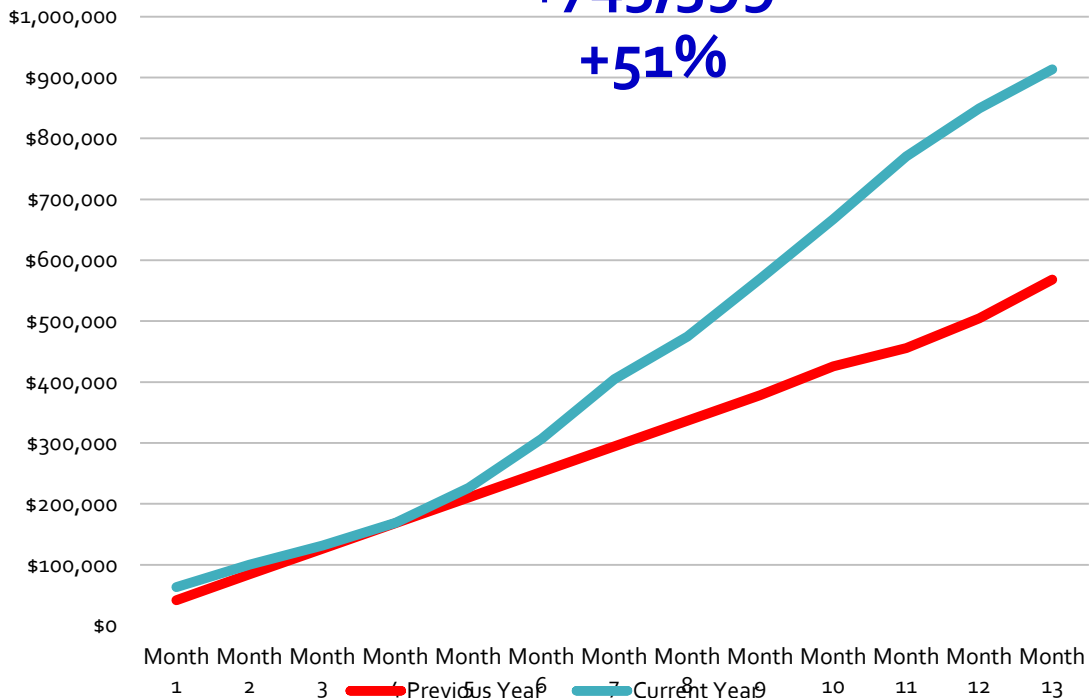
### 80% of Service Departments are NOT performing a complete Multi Point Inspection WHY?

- Managers don't hold Technicians Accountable
- Advisors don't know how to present MPI/Sell MPI Results
- Dealers are not committed to making MPI's a priority

Let's take a look at an actual Dealer's performance who recently made this commitment:

### Menus – MN RV Dealer 12 Month Gross Profit Increase of

**\$745,399**  
**+51%**



## Question:

What is the Primary Mission of Every Service Department?

## Answer:

To Provide Every Customer with a safe and reliable RV

## How?

100% Menu Presentations = Reliability

100% Multi-Point Inspections = Safety & Reliability

***MPI's Should NOT be optional!***

Recon	MPI Key Processes	Retail
✓	Service Advisor Explains Complimentary MPI will be Performed to ensure Safety and Reliability	✓
✓	Technician performs Multi Point Inspection, prior to diagnosing Primary Item	✓
✓	Technician diagnoses the primary item and sends results to Parts	✓
✓	Parts department provides parts pricing for MPI and Primary Item for Advisor to prepare estimate	✓
✓	Advisor presents estimate for Primary Item	✓
✓	Advisor presents estimate for Multi Point Inspection	✓

## Daily Performance Tracking

Technician MPI Closing Ratio (30%)

Advisor MPI Closing Ratio (30%)

Audit MPI for accuracy Daily

Track Opportunities by **Red** – **Yellow** - **Green**

# Sell Technicians on the Benefits

- Increases their Productivity (more \$\$)
  - Ethical Responsibility to the Customer
  - Provides a safe & reliable RV to the Customer
- \*Train Younger Technicians how to Inspect**

## #3 Technician Productivity

### So we have to ask:

Do you measure sales performance for all Salespeople?

\_\_\_ yes \_\_\_ no

Do you measure sales performance for all F&I Producers?

\_\_\_ yes \_\_\_ no

### Why should you track productivity?

1. To hold everyone accountable for their performance
2. To identify underachievers
3. To provide additional training
4. To increase closing ratio

## Why should Service be any Different?

**100%** of dealerships track performance of their sales team accurately?

**20%** of dealerships track performance of their service team accurately?

*Do you see an opportunity for change?*

# What are 80% of Dealers Doing Wrong?

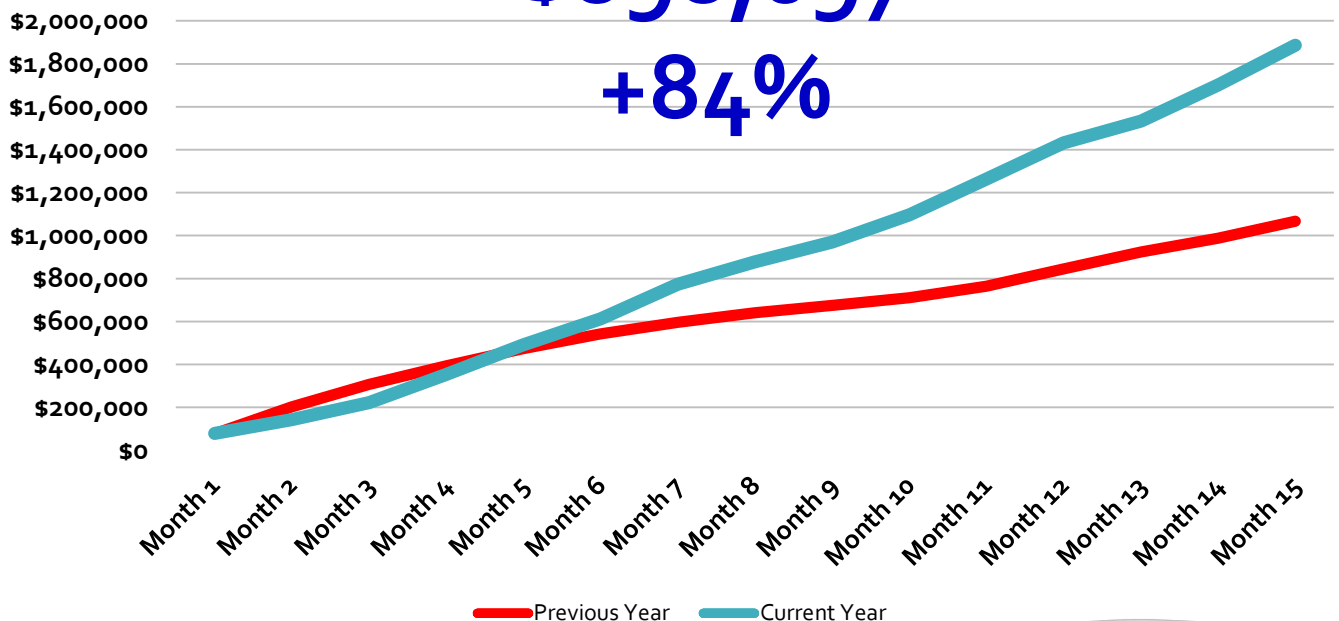
1. Failure to measure hours produced per technician daily
2. Failure to track hourly technicians' productivity daily
3. Failure to properly utilize DMS reports
4. Failure to follow published labor time guides
5. Lack of urgency to achieve goals daily
6. Lack of incentivized pay plans for hourly techs
7. Lack of training for low skill level techs
8. Lack of attention by Dealers - GM's - Service Director

Here is a dealer using both Menus and MPI's

Menus & MPI – OH RV Dealer  
12 Month Gross Profit Increase of

**\$898,097**

**+84%**





# Increase Hours in the Shop

**100% Technician MPI's**

**+ 100% Advisor Menu Presentations**

**= Increased Technician Productivity**

## Compensate to Motivate

**Hourly Technicians - Pay incentives on Hours Produced**

**Hourly Base Compensation: \$15.00 per hour?**

**Performance Bonus:** Added to the hourly base compensation. Based on the number of billable hours produced per week as follows:

Weekly Hours	=	Per Hour
25.0 - 29.9	=	2.00
30.0 - 34.9	=	4.00
35.0 - 39.9	=	6.00
40+	=	8.00

# How do you increase productivity for an Hourly Paid Technician?

Reduce time spent away from their bay for:

- Moving units in and out of the shop
- Doing unpaid tasks for the sales department
- Facilities maintenance

## Or Bill Time For It!

### Hourly Technician Bonus Plan Pro Forma

	Current	Level 1	Level 2	Level 3
Productivity	50.0%	65.0%	80.0%	100.0%
Hourly Rate	\$15.00	\$17.00	\$19.00	\$21.00
Monthly Pay	\$2,224	\$2,416	\$2,698	\$3,113
Monthly Increase in Pay	N/A	\$193	\$474	\$889
<b>True Cost per Flat Rate Hour</b>	<b>\$30.00</b>	<b>\$25.08</b>	<b>\$22.75</b>	<b>\$21.00</b>
Effective Labor Rate	\$150.00	\$150.00	\$150.00	\$150.00
Monthly Labor Sales	\$11,119	\$14,454	\$17,790	\$22,237
<b>Monthly Labor Gross Profit</b>	<b>\$8,895</b>	<b>\$12,038</b>	<b>\$15,092</b>	<b>\$19,124</b>
<b>Monthly Labor Gross Profit Margin</b>	<b>80.0%</b>	<b>83.3%</b>	<b>84.8%</b>	<b>86.0%</b>
<b>Increase in Compensation for Tech (12 Mo)</b>	<b>N/A</b>	<b>\$2,313</b>	<b>\$5,693</b>	<b>\$10,674</b>
<b>Increase in Compensation for Dealer (12 Mo)</b>	<b>N/A</b>	<b>\$37,714</b>	<b>\$74,361</b>	<b>\$122,749</b>

# You Need A DealerPRO RV Trainer

*In your Dealership, Training Your Team*

- ✓ Improve Repair Event Cycle Time
- ✓ Exceed Customer Expectations
- ✓ Increase Technician Productivity
- ✓ Maximize NET Profits

**RVDA Special \$7,500**

**3-Days In-Dealership Training  
Includes Travel Expense**

## **Sign Up NOW for Your In-Dealership Profit Potential Analysis & Business Plan**

- No Charge for Profit Potential Analysis
- No Charge for 2023 Business Plan
- Dealer Reimburses Travel Expenses

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