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BOOTH #227

**Increase Tech
Productivity by
50% or More to
Reduce Cycle Time**



Presented by:
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About Leonard Buchholz

Leonard is the Sales and Marketing Manager for DealerPRO Training. He has been a professional workshop and seminar facilitator with success as a Leadership, Sales Process, Communications and Fixed Operations Coach for brands like Audi of America and Mazda. As an independent trainer for Fred Pryor seminars, he conducted over 200 seminars and workshops with a 99% satisfaction rating. In addition, he has completed onsite in-depth Fixed Operations evaluations in automotive dealerships across the country. He served as a US Marine and during his service he completed a successful tour on Recruiting Duty, earned a meritorious promotion to Staff Sergeant and the Navy Achievement Medal for his efforts.

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 is the Definition of Shop Productivity?

The number of Technician hours billed on the repair orders divided by the number of clock hours worked.

Example:

- The Technician is on the clock for 40 hours in a week and 30 hours were billed on the repair orders.
- 30 hours billed divided by 40 hours worked equals 75% productivity.

Technician Productivity Calculator						
			Current	1st Level	2nd Level	Top Performer
Technician Efficiency Per Week			50%	75%	100%	125%
Hours Produced			20	30	40	50
Effective Labor Rate			\$90	\$100	\$100	\$100
Labor Sales			\$1,800	\$3,000	\$4,000	\$5,000
Labor Margin			70%	75%	75%	75%
Gross Profit Produced			\$1,260	\$2,250	\$3,000	\$3,750
Parts to Labor Ratio			110%	110%	110%	110%
Parts Sales			\$1,980	\$3,300	\$4,400	\$5,500
Parts Margin			30%	35%	35%	35%
Gross Profit Produced			\$594	\$1,155	\$1,540	\$1,925
Total Gross Profit Per Week			\$1,854	\$3,405	\$4,540	\$5,675
Total Gross Profit Per Month	4		\$7,416	\$13,620	\$18,160	\$22,700
Gross Profit Increase				\$6,204	\$10,744	\$15,284
# Of Technicians			5	5	5	5
Profit Improvement Potential				\$31,020	\$53,720	\$76,420
ANNUALIZED	12			\$372,240	\$644,640	\$917,040

Is 100% Shop Productivity Important to You?



Why Are So Many RV Technicians Performing BELOW 100% Productivity?

- *Lack of Commitment to Service Department* by Owners and General Managers
- *Lack of Accountability* for performance:
 - Is the "Tail Wagging the Dog"
 - Service/Parts Mgrs, Advisors, Technicians
- *Lack of Performance Based Pay Plans* that motivate and reward employees for higher performance. Lack of Proper Equipment for Technicians
- *Lack of Salesmanship* by Advisors
- *Lack of Timely Parts* delivery to Technicians
- *Lack of an Inspection* Process
- *Lack of Maintenance Menus*
- *Lack of Technician Knowledge*

Do any of the above apply to your Dealership?

You Must Compensate to Motivate

HOURLY TECHNICIANS: Pay Incentives on Hours Produced

Hourly Base Compensation: \$16.00 per hour?

Performance Bonus: Added to the hourly base compensation. Based on the number of billable hours turned 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

Hourly Technician Pay Plan

Hourly Rate \$16	Rate Per Billed Hour \$32	Hours Worked 40	Weekly Pay \$640	Average Productivity 50%	Average Hours Produced 20	ELR \$135	Sales Produced \$2,700	Gross \$2,060	GPM 76%
Hourly Rate \$18	Rate Per Billed Hour \$29	Hours Worked 40	Weekly Pay \$720	Average Productivity 63%	Hours Produced 25	ELR \$135	Sales Produced \$3,375	Gross \$2,655	GPM 79%
Hourly Rate \$20	Rate Per Billed Hour \$27	Hours Worked 40	Weekly Pay \$800	Average Productivity 75%	Hours Produced 30	ELR \$135	Sales Produced \$4,050	Gross \$3,250	GPM 80%
Hourly Rate \$22	Rate Per Billed Hour \$25	Hours Worked 40	Weekly Pay \$880	Average Productivity 88%	Hours Produced 35	ELR \$135	Sales Produced \$4,725	Gross \$3,845	GPM 81%
Hourly Rate \$24	Rate Per Billed Hour \$24	Hours Worked 40	Weekly Pay \$960	Average Productivity 100%	Hours Produced 40	ELR \$135	Sales Produced \$5,400	Gross \$4,440	GPM 82%



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!

Bonus Pay Plan that motivates them!

How do you increase productivity for an Hourly Paid Technician?

Improve Work Mix...Retail vs. Warranty:

- ☐ Inspection Process for Maximum Reliability
- ☐ Maintenance Menus (Low Skill & High Return)

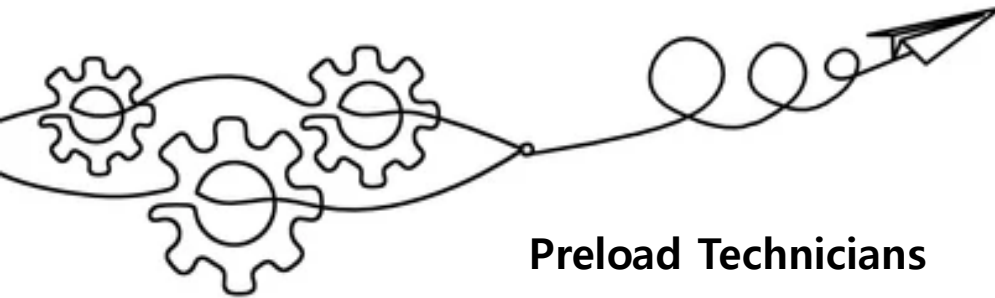
Parts Processes:

- ☐ What is the Primary Mission of a Parts Department?
- ☐ *Support the Technicians*
- ☐ Pre-pick parts
- ☐ Deliver parts to Techs

Measure Performance Daily:

Technician Productivity:

- ✓ # of Hours Produced vs. # of Hours Worked
- ✓ # of Multi-Point Inspections Completed
- ✓ # of Additional Service Requests
- ✓ Total Gross Profit Produced MTD
- ✓ # of ROs –Customer Pay, Warranty, and Internal



Preload Technicians

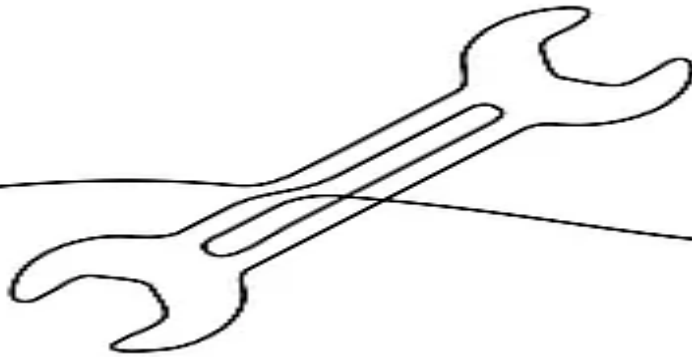
Technicians should always have their current job and their next job

Benefits:

- ❖ Enables technicians to plan their day better
- ❖ While current job is being sold and/or parts located, Tech can start on next job
- ❖ Improves cycle time/eliminates down time
- ❖ Increases productivity. . . and their pay

How Can You Improve Your Shop Productivity?

Owners and Management Team Must Make a Commitment to CHANGE!



Hold a Shop Meeting With All Technicians

"If there was one thing I could do for you to make your job more productive and more enjoyable, what would it be?"

- Listen to their input
- Ask for their solutions

Creating a Culture of Accountability

One of the most common challenges we hear is. . .

"We don't do a good job of holding people accountable."

Creating a culture of accountability is the result of **following these 5 steps:**

PROCEDURES

TRAINING

COACHING

MANAGING

ACCOUNTABILITY

Improve Cycle Time

- ❖ Schedule Work (Appointment System)
- ❖ Quality R.O. Write Up
- ❖ Triage Within 24 Hours
- ❖ Get Work Approvals (at the time of write up & after triage)
- ❖ Route Sheet -track units in the shop
- ❖ POO Sheet and Update Daily
- ❖ Order Known Parts Ahead of Time
- ❖ Schedule "SOP In" jobs back in the shop
- ❖ Parts Person To Deliver Parts to the Tech
- ❖ Update the Customer On Estimated Completion Date
- ❖ Utilize a Flat Rate Time Guide (Warranty X 1.5)
- ❖ Arrange a Pick Up Date

Provide the Parts Team the Support They Need

- ❖ Triage RV when it arrives to get parts on order
- ❖ Don't wait until you're ready to start the repair process to order the parts
- ❖ Primary Mission of a Parts Department is to deliver the correct parts to the Technicians in the shortest amount of time possible

Hours of Operation

5 days @ 8 hours per day

	Mon	Tue	Wed	Thu	Fri	Sat	Total
Techs - 8	8	8	8	8	8		
Hours	8	8	8	8	8		
Total	64	64	64	64	64		320

Tech Hours Available

Opportunities for Improvement...

- 6 Days @ 10 Hours each With Three Groups

5 days @ 8 hours per day, Saturday @ 4 hours

Techs - 8	7.5	7.5	7.5	8	8	3	
Hours	8	8	8	8	8	4	
Total	60	60	60	64	64	12	320

5 days @ 8 hours per day, Saturday @ 8 hours

Techs - 8	7	7	7	8	8	3	
Hours	8	8	8	8	8	8	
Total	56	56	56	64	64	24	320

- 5 Days @ 9 Hours Each

5 days @ 8 hours per day, Saturday @ 8 hours

	Mon	Tue	Wed	Thu	Fri	Sat	Total
Techs - 8	8	8	8	8	8	3	
Hours	8	8	8	8	8	8	
Total	64	64	64	64	64	24	344

- Second Shift

- Production Teams (Multiple Techs per bay)

5 days @ 9 hours per day

Techs - 8	8	8	8	8	8		
Hours	9	9	9	9	9		
Total	72	72	72	72	72		360

6 days @ 10 hours per day (3 Techs per Team)

Techs - 9	6	6	6	6	6	6	
Hours	10	10	10	10	10	10	
Total	60	60	60	60	60	60	360



Working Days

What are the Options?

- ❖ Open Saturday and/or Sunday
- ❖ Open Holidays

How to Implement?

- ❖ 4 Day Work Week @ 10 Hours per Day
- ❖ Production Groups (3 Rotating Shifts)
 - ❖ Lateral Support
 - ❖ Simple Support
 - ❖ Production Teams

Teams/Groups 4 day 10 Hour Schedule

Week	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	Team 1 Off 4 Team 3	Team 1 Off 5 Team 3	Team 1 Team 2 Off 1	Team 1 Team 2 Off 2	Off 1 Team 2 Team 3	Off 2 Team 2 Team 3	Off 3 Off 1 Off 1
2	Off 4 Team 2 Team 3	Off 5 Team 2 Team 3	Team 1 Off 1 Team 3	Team 1 Off 2 Team 3	Team 1 Team 2 Off 1	Team 1 Team 2 Off 2	Off 1 Off 1 Off 3
3	Team 1 Team 2 Off 4	Team 1 Team 2 Off 5	Off 1 Team 2 Team 3	Off 2 Team 2 Team 3	Team 1 Off 1 Team 3	Team 1 Off 2 Team 3	Off 1 Off 3 Off 1

**Three
Week
Rotation**

Technicians Available

What type of Technicians do you Need?

- *Lower Skilled Technicians*
- *Triage Tech*
- *PDI Technicians*

Where do you find them?

- *Aftermarket Service Facilities*
- *Other Trailer or RV Dealers*
- *Ex-Military Techs*
- *Handymen, Carpenters*

Opportunities for Change

- *Measure What You Manage*
- *Compensate to Motivate*
- *Communicate with Technicians*
- *Train Your Advisors How to Sell*
- *Support Your Parts Department*

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

100% Accountability Training puts your Managers in CONTROL

RVDA Special \$7500

Includes Travel Expenses

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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or call 888-553-0100***