

DEALERSHIP MANAGEMENT TONY NOLAND

Making Service Sell

don't recall a 20 Group meeting where the subject of employee productivity didn't enter into the conversation at some point.

During the last two meetings I've conducted, that subject moved into a specific area – service advisors.

Why service advisors? For various reasons including the fact that most dealerships want to increase their fixed coverage and are looking at technician costs and technician efficiencies. Repair hours per customer is an essential factor regarding the items mentioned.

What is the one item required to achieve a satisfactory hour-per-repair-order result? Sales ability.

Before proceeding, I want to demonstrate the importance of the service advisor using the most recent NCM Benchmarks:

Category-Monthly Average

Highline	Regular	Domestic
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Departmental Gross Per New & Used Salesperson

\$47,887	\$20,555	\$19,812
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Labor Gross Per Service Advisor

\$47,802	\$35,065	\$32,536
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Hours Per Customer R.O.

2.42	1.86	2.10
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Repair Orders Per Day Per Advisor

15.1	19.6	17.9
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Technicians Per Service Advisors

3.5	3.6	4.1
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You'll see that, on average, a service advisor's gross is equal to (in the case of high-line) or exceeds the average departmental gross of a new- and used- vehicle salesperson.

Now, the important question: What is the ratio or percentage of training dollars

were written yesterday, the average hours, effective labor rate and gross profit? If not, why not? Each dealership computer system has a report that will provide this type productivity information plus more.

In my retail life, if a vehicle sales person shows low volume or a low gross profit

Obviously, we depend heavily on the experience the service advisors deliver to the customer for repeat vehicle sales and referrals.

spent on vehicle sales personnel versus your service advisors in your dealership?

On average, how many ups or opportunities to do business does your average vehicle salesperson have daily? We know the average service advisor will have between 15 and 20. What about repeat business? Obviously, we depend heavily on the experience the service advisors deliver to the customer for repeat vehicle sales and referrals.

In the average dealership, the general manager and dealer will know how many vehicles were sold the previous day, the approximate gross profit, and most likely, the sales person who sold them.

Do you, the general manager and dealer, also know how many repair orders

average, we quickly identify it and provide him or her with the necessary training to improve their performance.

This same approach should be applied to service advisors. If their performance is not up to the standard you desire, identify the deficiency and take the appropriate action to help them improve.

If we want a higher level of performance in our service operations, we must first work with our advisors in establishing performance standards, providing them with the required expertise through training and hold daily one-on-one sessions to review performance. ■

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