

## **“It’s Time to Debunk the Myths of Service Operations”**

*Michael McKean, MBA, AVA President*

*OCD Consulting, LLC. – Braintree, Massachusetts*



Service Department, take this quick quiz.

1. The skill levels and abilities of my technicians determine the efficiency of my shop.  
True False
2. My service customers are served best by a strict appointment system.  
True False
3. Carry-over work should be discouraged because it is an inconvenience to my customers.  
True False
4. Raising my posted customer paid labor rate is the best way to increase my effective labor rate and gross profit.  
True False
5. The available number of bays and lifts determines the overall capacity of my shop.  
True False
6. If the service advisor cannot determine a repair solution, it is best to ask the customer to authorize one hour of diagnostic time.  
True False
7. The team or lateral support system is a proven solution for increasing shop production and customer satisfaction.  
True False
8. High CSI scores will keep my customers coming back.  
True False

How did you score?

If you answered True 6-8 times: You are a conventional thinker. You like to travel with the masses and if the train goes off the track, you’re sure to be on it.

If you answered True 3-5 times: You are open to other possibilities. You’ll be on the train but most likely will jump off before it crashes.

If you answered True 0-2 times: You are thinking “out of the box”. You don’t do trains.

Would this be your service department? Appointments are booked out one to two weeks in advance. To cope with this chaos, you’ve added more and more support staff and now your personnel expense exceeds fifty percent of your gross profit. Your customers still have to wait two weeks to bring in their vehicles, even for simple repairs and maintenance. Everyone is working hard but no one is happy, especially your customers. Discounts, coupons, and unapplied time are eroding your gross profits. Policy expense is out of control. Everyone else in your “Twenty Group” exceeds 2.0 hours per customer repair order but your shop can never quite get there. Your service manager keeps telling you the “pedal is to the metal” but you are operating at only 75% of true capacity. Who is to blame? Conventional Wisdom.

The truth is much of what we’ve been taught about service operations is based on conventional wisdom run amuck. Technician efficiency has a lot more to do with how a repair order is written and dispatched than how quickly

the wrench is turned. Team systems turn your service advisors into multiple tasking gatekeepers. Because carryover work is discouraged and because the service advisor is now responsible for pleasing both the customers and the technicians, workloads are continuously scaled back so as not to stress a system that is already inherently inefficient. Declining customer paid labor becomes a self-fulfilling prophecy. The same customers that cost you thousands of dollars to acquire through the front door are now escaping in droves through the back. On a good day you are utilizing only 75% of your true manpower capacity.

If any of this strikes close to home and you want to find out more about the performance of your own shop, just e-mail us at [info@ocdconsulting.com](mailto:info@ocdconsulting.com) and we will send back to you our user-friendly service simulator. Just enter a few pieces of data and you will get an analysis of the key components of your shop's performance. Or call us at 1-877-851-OCDC and we will be happy to complete the analysis for you.

To change a particular outcome of any organization, you must first change human behavior. To change behavior you must change the way people think. It has been our experience that conventional thinking, because by definition is the acceptance of widely held beliefs, is one of the most difficult styles to change. But it is also our experience that when conventional wisdom drives the performance of your service department, the outcomes; profits, customer loyalty, and employee productivity, are very unconventional in that they are acceptable to no one, especially you, the dealer.

***Everyday our business is becoming more complicated, more difficult, more demanding, and more competitive but it is also offering more opportunity than ever before. Capitalizing on these opportunities requires courage, vision, and skill. It's a brand new world out there let's go exploring!***

*Michael McKean is a lifelong participant and observer of the retail automotive business. He is the President and founder of OCD Consulting, a joint venture partner of O'Connor and Drew, CPA's. The mission of OCD Consulting is bringing Customer Based Management Systems to its clients, nationwide. Please visit us at our Web site [www.ocdconsulting.com](http://www.ocdconsulting.com)*

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