



## Newsletter Article

# Managing Maintenance Sales in the Main Shop with a Quick Service Operation

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## **Managing Maintenance Sales in the Main Shop with a Quick Service Operation**

The retail business in the fixed operations departments is the main source of opportunity for growth and retention. However, when the dealership initiates, promotes and builds their quick service operations and funnels the maintenance and services to this department which was once in the main shop, how do we keep the main shop technicians productive and control our cost of sales? More and more as this maintenance work moves to quick service, main shop technicians are becoming less productive and we need these skills to perform difficult diagnostic and repair work.

We also cannot overlook the guest that has developed a relationship with the main shop advisor who now says that they will have to work with someone else. Many times I hear main shop advisors say “we perform that type of work in the quick service”. This may be even if the vehicle is already scheduled for warranty repairs in the main shop.

There are several ways to manage these situations but the important thing is that we do not lose talented technicians or valuable customer relationships that have developed over time. Here are some ideas on how we can do that:

### **Introducing Customers to the Quick Service Department**

The main shop advisor should introduce the customer to the quick service department personally and show the convenience of the operation and what jobs they can perform. Important tools in this transfer include:

- A. Business card from the Quick Service advisor;
- B. Quick Service Menus and Guides should include pricing and the work that can be performed; and
- C. Personal introductions.

### **Repairs are Completed in the Main Shop along with the Maintenance**

All appropriate maintenance and repair work is performed in the main shop by the technician on the job. This maintenance will have a higher cost of sales typically, but is a convenience to our customer and does not require transfer and communication issues. Important tools in this situation include:

- A. A complete understanding of the cost of sales and its relationship to gross profit and gross profit percentages.
- B. An effective labor rate on service that allows the work to be performed without an overall loss.
- C. Overall management agreement that it is most important to consider customer relationships and retention as opposed to only considering the gross profit percentage on this competitive work.

## **Technician Pay Rates**

When maintenance work is performed in the main shop, the technician's pay rate is adjusted to allow for an acceptable gross on this typically highly efficient and competitive work. This can be accomplished structurally with the use of most DMS systems by adjusting the technician pay rates by operations performed. For example, the main shop technician is assigned an oil change rate for that job of \$12.00 per hour as opposed to the rate of \$22.00 for warranty and repair.

This is easier than most managers think and, as production slips in the main shop operations, many flat rate technicians would rather be working on something rather than waiting for the next car to break.

A knowledge of the DMS setup is needed to increase or decrease cost based on operations performed. A variation of this is to set cost per job in the DMS which will pay all technicians the same amount based on the operation regardless of their repair rates.

## **Having a Maintenance Technician in the Main Shop**

Having a maintenance technician in the main shop that will perform these operations controls cost, but does not contribute to the higher cost main shop technician productivity. The above considerations can be combined based on individual jobs performed and amount grossed by the store. Maybe rate only needs to be adjusted on oil and filter changes.

As the work mix continues to move toward maintenance and vehicles become more reliable, do we need the same skill sets to perform this work? This may lead to a loss of our high cost employees with known abilities and good work ethic.

Managing maintenance sales in the main shop with a Quick Service Department requires dealership management to consider how our business is quickly changing and where our opportunities exist. The end result? Retaining great employees and valued customers!

For any questions regarding specific methods and processes to perform these considerations, please contact David Dietrich, ATcon Consultant, at 1-800-692-2719.