

# Want to improve workshop output? Time to think lean

Dealerships can improve productivity, quality and delivery times while also reducing costs

**F**ranchised dealerships are coming under increasing pressure to find a profit wherever they can and that has only been exacerbated by the COVID-19 pandemic.

A major income stream is aftersales, making the need to optimise workshop capacity more important than ever in the push to adapt to the so-called 'new normal'.

There is already plenty of low-hanging fruit such as tyres, brakes, suspension and wear and tear items, all of which are predictable and high-margin business, and account for around 70% of total revenue, according to AM100 vehicle health check (VHC) inspection data.

However, this work must be balanced with

continuing to ensure they meet the needs of loyal customers, who may, on occasion, require an emergency repair or extra maintenance work picked up during a service or MOT.

According to research by automotive aftermarket intelligence provider GiPA, at the end of March, just 47% of workshops were open and, on average, those open were only operating at 68% capacity.

So how can dealers optimise workflow while maintaining extra capacity, and what tools, techniques and technology do they have at their disposal? How can they speed up and make the process more efficient? And what steps can they automate?

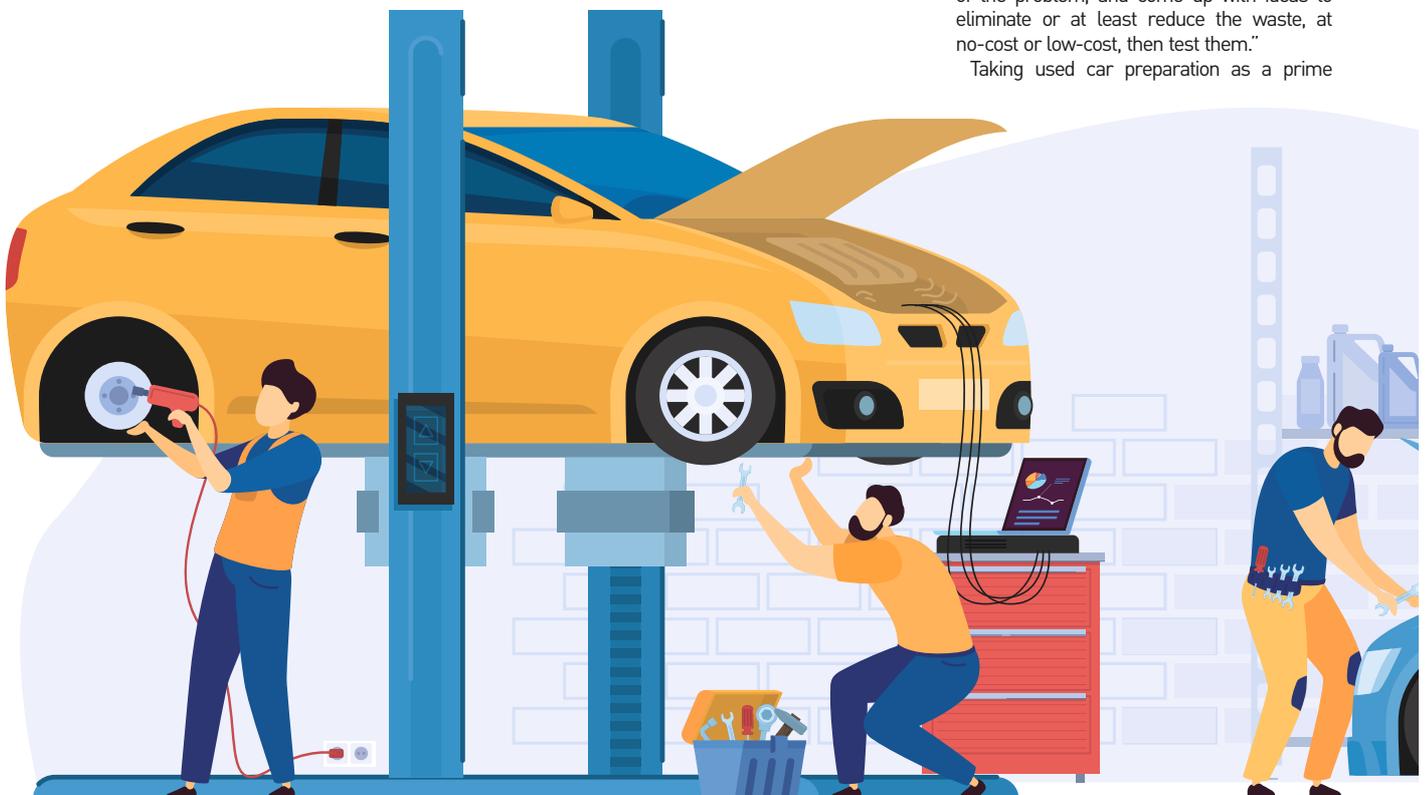
A key technique dealers can use to drive workshop efficiency is lean retailing. It works

by devising a plan to improve a particular process, trying it and then checking it to see if it has worked, and if it hasn't, attempting another method.

John Kiff, lean coach at Lean Auto Retail, a pioneer in the concept, said that by adopting the lean approach, which began with Toyota in the 1980s, dealers can vastly improve workshop productivity, quality and delivery time, as well as reduce costs. To achieve this, he said that they need to identify the problem they want to resolve and then map out the key stages and delays in the process.

"For each step, ask where it is not going right first time or where it takes too long," said Kiff. "Then ask what would 'good' look like and what would 'better' look like, focusing at the details of the problem, and come up with ideas to eliminate or at least reduce the waste, at no-cost or low-cost, then test them."

Taking used car preparation as a prime



example, Kiff said that making sure dealers know exactly what work, parts and skills are required by talking with the customer over the phone beforehand is key to making the process more efficient and eliminating time and costs, such as the need for courtesy cars. Then they need to plan the workflow, detailing exactly what is going to happen at each stage, he said.

"The next step is to draw the process as it actually happens, with warts and all problems and delays," said Kiff. "This allows all who are involved to share a common view of the process and its problems."

Once the work required has been established, dealers need to segment it, for example, by servicing, repairs, tyres and diagnosis, said Kiff. They must also try to prioritise predictable work, such as pre-delivery inspections on new vehicles and first year servicing, so they can use their time more effectively, he added.

"By determining the work you are likely to need to do using the data you have on how long it takes for particular jobs, you can be as productive as possible," said Kiff. "The more jobs you can get right first time, the more happy customers you are likely to have."

### CONVENIENT APPOINTMENTS

Go Vauxhall successfully adopted the lean approach with the launch of its Express Service which allows customers to book a convenient appointment time, where their vehicle will be serviced, washed and vacuumed in one hour, or 30 minutes for an MOT. The standard VHC is carried out, on average, in 14 minutes, enabling

the receptionist to provide the customer with a range of options if additional work is required, including waiting, taking a courtesy car or scheduling another appointment.

Stratstone's aftersales director Gavin Ruddick, who has written a paper entitled *The Connected Future of Aftersales*, divides workstreams into predictable, semi-predictable and unpredictable categories to determine skill-sets required. By adopting this model, he said dealers can make productivity gains of between 8%-10% across the workshop.

"Because you are servicing more predictable work more productively and you have got the right skill-set for each job, you are being far more efficient and freeing up capacity for additional tasks," said Ruddick. "It also enables you to plan and focus on more lucrative work."

By adopting a connected aftersales retailing model, dealers can greatly improve workshop predictability, enabling more targeted bookings, repairs and maintenance; thus reducing costs, increasing operating margins and allowing staff to be redeployed on more important jobs, said Ruddick.

This includes optimising the use of integrated self-service technology to streamline the workshop process through tools such as automated check-in and inspection, and tracking vehicle progress with a virtual job card, he said.

"All of this requires a greater degree of awareness, priority and utilisation of connected vehicle data," said Ruddick. "Aggregating this intelligence together allows all accessible data to be utilised through event-driven, preference-led device-interconnected engagement."

The biggest stumbling block, however, said Ruddick, is getting staff and management buy-in because they have been used to doing the process a certain way for years. Key to that is helping them to understand the new approach and its tangible benefits, he said.

"It's about taking them on the journey with you," added Ruddick. "And it's even more important than before to be as efficient as possible given the current pandemic situation."

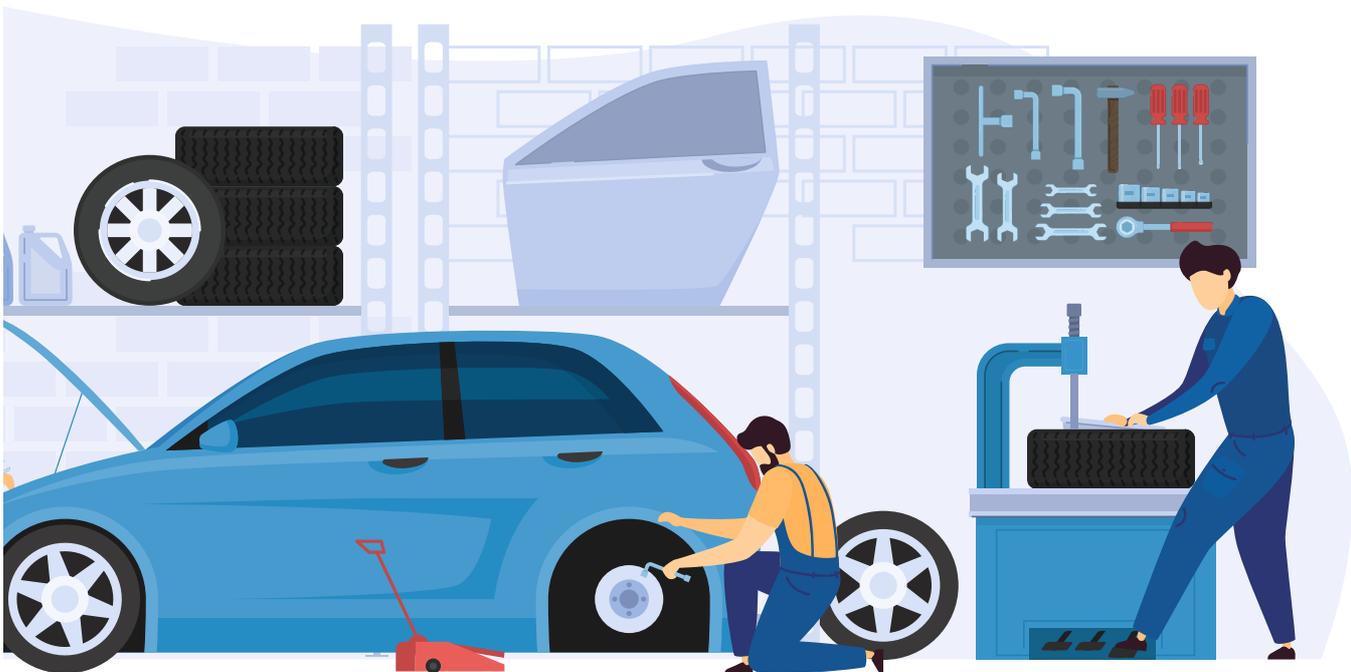
### DATA AGGREGATORS

Karl Davis, managing director of Coachworks Consulting, said dealers need to focus their aftersales marketing spend on loyal customers and those likely to make a booking. By using data aggregators, they can identify their core clients, he said.

"Retailers are currently having to do more with less resource, so how resource is going to be deployed has to be carefully planned and backed up with solid support and preparation," said Davis. "The obvious time wasters like poor work descriptions on job cards, searching for the vehicle because the parking bay number wasn't noted, parts not being pre-picked or not in stock and slow authorisation of identified work kills efficiencies."

Dealers can also improve efficiency by upskilling call centre and booking clerks, said Davis. Also, by re-conditioning job cards, workshop controllers and master technicians can help to identify additional labour and parts requirements, he said.

One of the biggest hurdles to implementing many of these procedures, 



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**By John Saleh, Head of Field Operations – CCP Products**

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however, is social distancing, and the need to sanitise surfaces and use personal protective equipment. To overcome this, dealers will have to adapt many of their processes to make sure they comply.

Another inefficiency identified by Marketing Delivery research is that dealers only capture full and accurate data for 63% of aftersales customers, including contact details and the next MOT or servicing date. This is even more important now given millions of MOT dates have had to be pushed back during the lockdown.

"Full and accurate customer records are the key to ensuring workshop bays remain occupied," said managing director Jeremy Evans. "Modern eCRM tools can automatically remind customers when their vehicle's next service or MOT is due, and we work with our workshop customers to address any weaknesses in data collection."

By using available records and contacting customers sufficiently far in advance to advise them when their MOT or service is due, dealers can drive greater efficiency, said Evans. The process should also be automated, he added, with emails and text alerts and reminders sent out according to customer preference.

"It has to be an automated programmatic approach," said Evans. "It's about working out how the whole programme fits together from a practical perspective and the subsequent efficiencies that can be gained."

There are a wealth of dealer management systems that enable motor retailers to keep an eye on inventory, invoicing, enquiry status and schedule appointments. Such digital tools that allow dealers to immediately get in touch with

the customer can also speed up the workshop process, such as CitNOW's Workshop App.

The Workshop App enables dealers to record a 90-second video pointing out any problems found in the VHC which they can send to the customer. This allows the customer to quickly validate the facts, look at the quotation and authorise any necessary or recommended work.

"Clearly this cuts a lot of inefficiency out of the process," said global sales director Gordon Grant. "This is borne out by the fact that 60% of all proposals are approved within 10 minutes and the work can be promptly completed."

Moritz Bedenk, senior consultant – mobility at Frost & Sullivan, said strategies such as prioritising services, and management tools that can help track utilisation targets based on historical values and maintain a capacity for unscheduled events should be implemented. Having performance goals also incentivises technicians to get the work done because they are accountable, he said.

"The second aspect is the proper scheduling of the service that can be optimised with management software which automates individual mechanic schedules and integrates it with lifting ramp capacities," said Bedenk. "Inspection apps like Xtime or Fleetio (available in the US) can also boost the efficiency of the service process."

The sooner dealers come on board with all these new tools and technologies, the more efficient their workshop processes will be. In an ever-evolving world of motor retail, any efficiencies that can be gained, however small, are to be welcomed. **ALEX WRIGHT**



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