

Welcome!



The New Service Strategy



Pros Elite Group

- **The Pros Elite Group was established in 2008 - Sales and Service Consulting, Training, Benchmark Development, Pros Elite 100.**
- **Currently Representing 82 Markets in North America and Select International Countries Generating Over \$ 1.5 Billion in Annual Revenue**
- **\$42 Million in Bottom Line Service Profit Improvement**
- **\$80 Million in Increased Equipment Sales**
- **400,000 MPS Printer Devices Under Contract**



The New Service Strategy

- Dealers are challenged to manage and integrate new revenue streams into their service organization (MPS, MNS, etc.).**
- We are going to discuss some of these challenges that dealers need to be aware of and resolve in the ongoing evolution of service.**



Current dealer service challenges in our changing/evolving industry

- Service performance levels are extremely low (financially and operationally)**



Current dealer service challenges in our changing/evolving industry

	<u>Benchmarks</u>	<u>Typical Dealer Performance</u>
• Salary	25.5%	27-35%
• Parts	17.0%	20-30%
• Vehicle	4.0%	4-5%
• Training	1.5%	1-3%
• GP	52%	28-45%

ALLOCATIONS ARE WRONG IN 70% OF VISITS

Over 50% of Pros Elite Dealers are performing at 55% or greater Service Gross Profit



Current dealer service challenges in our changing/evolving industry

	<u>Benchmarks</u>	<u>Typical Dealer Performance</u>
• Gross Calls	5	3-7
• Callbacks	10%	20-35%
• Incompletes	8%	20-30%
• Accountable time	7.5	4.0-6.0
• Parts cost per call	\$28.00	\$20-\$60
• FCE or Eff. Ratio	82%	50%-60%
• Territory Integrity	80%+	40%-50%

90% of the productivity benchmarks are defined incorrectly to the model

Incompletes Stack Ranking

Technician	Inc %	CB%	CPD Gross	CPD Net	RT / Call	TT / Call	A.T.	Cust. Resp.	FCE
	3.1%	11.5%	6.1	5.2	0.9	0.3	7.4	4.2	85.4%
	3.3%	13.0%	5.0	4.2	0.9	0.3	6.2	5.3	83.7%
	3.5%	10.9%	4.2	3.6	1.0	0.5	6.2	6.0	85.6%
	4.4%	11.2%	3.1	2.6	0.6	0.2	2.6	3.4	84.5%
	4.8%	9.5%	2.5	2.2	1.3	0.5	4.5	5.7	85.7%
	4.9%	5.9%	2.1	1.9	0.6	0.2	1.6	5.7	89.2%
	5.1%	16.1%	6.3	4.9	0.9	0.4	7.6	4.4	78.9%
	5.3%	13.7%	4.0	3.2	0.9	0.6	5.9	4.0	81.0%
	5.8%	12.5%	4.5	3.7	1.2	0.4	7.4	5.4	81.7%
	5.9%	13.1%	3.9	3.2	1.7	0.5	8.4	5.4	81.1%
	6.2%	13.3%	4.0	3.2	1.5	0.4	7.6	5.3	80.5%
	6.5%	20.0%	2.8	2.1	0.8	0.3	3.1	4.4	73.6%
	6.9%	11.9%	3.9	3.2	1.0	0.6	6.2	6.0	81.3%
	7.1%	16.2%	3.7	2.8	1.4	0.6	7.4	7.7	76.8%
	7.6%	17.3%	3.5	2.6	1.0	0.4	4.7	3.1	75.1%
	7.9%	14.0%	5.2	4.0	0.9	0.3	6.2	4.3	78.1%
	8.7%	24.2%	3.5	2.4	1.6	0.4	7.0	5.1	67.1%
	9.2%	19.2%	3.2	2.3	1.9	0.5	7.6	7.2	71.7%
	9.4%	9.9%	3.2	2.6	1.5	0.6	6.9	7.7	80.7%
	10.1%	15.3%	5.4	4.0	1.0	0.4	7.2	4.0	74.7%
	10.8%	15.8%	3.9	2.8	1.1	0.5	6.1	5.2	73.4%
	27.2%	19.6%	2.9	1.5	0.5	0.2	2.1	3.5	53.2%

Callbacks Stack Ranking

Technician	Inc %	CB%	CPD Gross	CPD Net	RT / Call	TT / Call	A.T.	Cust. Resp.	FCE
	4.9%	5.9%	2.1	1.9	0.6	0.2	1.6	5.7	89.2%
	4.8%	9.5%	2.5	2.2	1.3	0.5	4.5	5.7	85.7%
	9.4%	9.9%	3.2	2.6	1.5	0.6	6.9	7.7	80.7%
	3.5%	10.9%	4.2	3.6	1.0	0.5	6.2	6.0	85.6%
	4.4%	11.2%	3.1	2.6	0.6	0.2	2.6	3.4	84.5%
	3.1%	11.5%	6.1	5.2	0.9	0.3	7.4	4.2	85.4%
	6.9%	11.9%	3.9	3.2	1.0	0.6	6.2	6.0	81.3%
	5.8%	12.5%	4.5	3.7	1.2	0.4	7.4	5.4	81.7%
	3.3%	13.0%	5.0	4.2	0.9	0.3	6.2	5.3	83.7%
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	8.7%	24.2%	3.5	2.4	1.6	0.4	7.0	5.1	67.1%

Accountable Time Stack Ranking

Technician	Inc %	CB%	CPD Gross	CPD Net	RT / Call	TT / Call	A.T.	Cust. Resp.	FCE
	5.9%	13.1%	3.9	3.2	1.7	0.5	8.4	5.4	81.1%
	6.2%	13.3%	4.0	3.2	1.5	0.4	7.6	5.3	80.5%
	9.2%	19.2%	3.2	2.3	1.9	0.5	7.6	7.2	71.7%
	5.1%	16.1%	6.3	4.9	0.9	0.4	7.6	4.4	78.9%
	5.8%	12.5%	4.5	3.7	1.2	0.4	7.4	5.4	81.7%
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	8.7%	24.2%	3.5	2.4	1.6	0.4	7.0	5.1	67.1%
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	4.4%	11.2%	3.1	2.6	0.6	0.2	2.6	3.4	84.5%
	27.2%	19.6%	2.9	1.5	0.5	0.2	2.1	3.5	53.2%
	4.9%	5.9%	2.1	1.9	0.6	0.2	1.6	5.7	89.2%



Current dealer service challenges in our changing/evolving industry

- Challenged to Successfully Integrate MPS & MNS into your service organization**
- Do you know the financial and operation performance expectations in this evolving industry and how do they impact the overall profit potential of your business.**
 - a. Original MFP B/W Financial Model**
 - b. Adjustment to original MFP Financial Model including business color and production color impact.**
 - c. MPS Model**
 - d. MFP/MPS Hybrid Model**
 - e. MNS Model (currently evolving)**



Current dealer service challenges in our changing/evolving industry

-Connectivity Challenges

- a. separate connectivity team (more IT centric team)**
- b. train existing techs (some tenured employees have issues embracing new technology)**
- c. remote connectivity options (80% remote connectivity current client)**



Current dealer service challenges in our changing/evolving industry

Help Desk versus no Help Desk:

- a. Tier 1 support – remote in to resolve software related issues and scrub call activity for hardware call cancellation opportunities. Tier 2 onsite tech visit.**
- b. Versus – having the field techs manage these responsibilities within their territories.**



Current dealer service challenges in our changing/evolving industry

- How to Manage Multiple Product lines – proficiency on servicing equipment and establishing effective car stocks.

-Rapid New Product Launches - up stream productive lines, 3D printing, etc.

a. Effective Service Structure – specialization versus generalist

b. Escalation Support - field supervisors, product specialists to improve team proficiency levels.



Focus Areas in today's diverse and competitive environment

- Get your current house in order.**
- It is easier to integrate new service revenue streams into an effective, process driven environment versus a disorganized one.**
 - a. Carryover per tech**
 - b. Copies per/month per/tech**
 - c. Revenue per service employee**
 - d. Territory structure / integrity**



Focus Areas in today's diverse and competitive environment

Service organizational structure – roles and responsibilities to drive efficiency and service results (Mgr., Supv., Lead Tech, Product Spec., Trainer)

Example: 8 field supervisors per service manager

8-12 techs per Field Supervisor

20+ techs Service Trainer

22-24 techs per dispatcher

30-35 techs per parts person



Focus Areas in today's diverse and competitive environment

What will I be measured against (what does good look like)

- Information overload from 3rd party software that integrates with your ERP. Your method of choice must be proven and tie the financial and operational pieces of your business together.**
- Deploy the financial and operational model in your business (proven 25+ years)**
- Identify area of opportunity and focus**

Invest profit improvement dollars into integrating new service deliverables effectively into your organization.



Focus Areas in today's diverse and competitive environment

Invest profit improvement dollars into integrating new service deliverables effectively into your organization.

Total Company Revenue (annual)

1-3 Million

4-8 Million

9-15 Million

16-25 Million

26-36 Million

37-50 Million

Service Profit Opportunity (annual)

\$33,000 - \$100,000

\$132,000 - \$264,000

\$297,000 - \$495,000

\$528,000 - \$825,000

\$858,000 - \$1,188,000

\$1,221,000 - \$1,650,000



SPECIAL OFFER

BTA

FREE Business Opportunity Analysis



The New Service Strategy

QUESTIONS!