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REPORT ON SERVICE DEPARTMENT EFFICIENCY

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Can Service Department be more efficient?

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1. The Present Situation

Service's and Parts' procedures are currently organised in a process that involves five internal interacting figures (Workshop Operator, Reception Desk, Workshop Control, Parts Staff and one Technician), an eventual external parts source and the customer itself.

We have also to consider the after sale phone enquiries service ("Customer Line"), which is actually carried out too much irregularly to be representative, but it is however an efficient way to sell services and to know something about customers' satisfaction.

In this process the customer gets in touch almost exclusively with the reception's staff, which is responsible for the first contact and for the forthcoming eventual communications.

Technicians are responsible for the quality of their work and parts staff for the availability of parts needed.

The process is presently carried out through twelve fundamental passages and five eventual procedures (look at the Service and Parts Job Flow on page 3).

These procedures are linked to the possibility that parts could not be available: Car reassembled without having completed the work, time waited for parts arrival, customer called back to delay agreed appointment.

Moreover we have to consider the possibility of changing eventual other parts, the random warranty check and the necessity of a repeated visit.



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An analysis of the few feed back elements which are currently being used (i.e. complaint questionnaires completed and sent back, phone calls received and random phone enquiries) enables us to say that, except for some problematic areas, the system is performing quite well at the moment.

Anyway, even if we assume the current monitoring instruments as representative of the situation, big improvements are necessary to reach excellence and complete customer satisfaction.

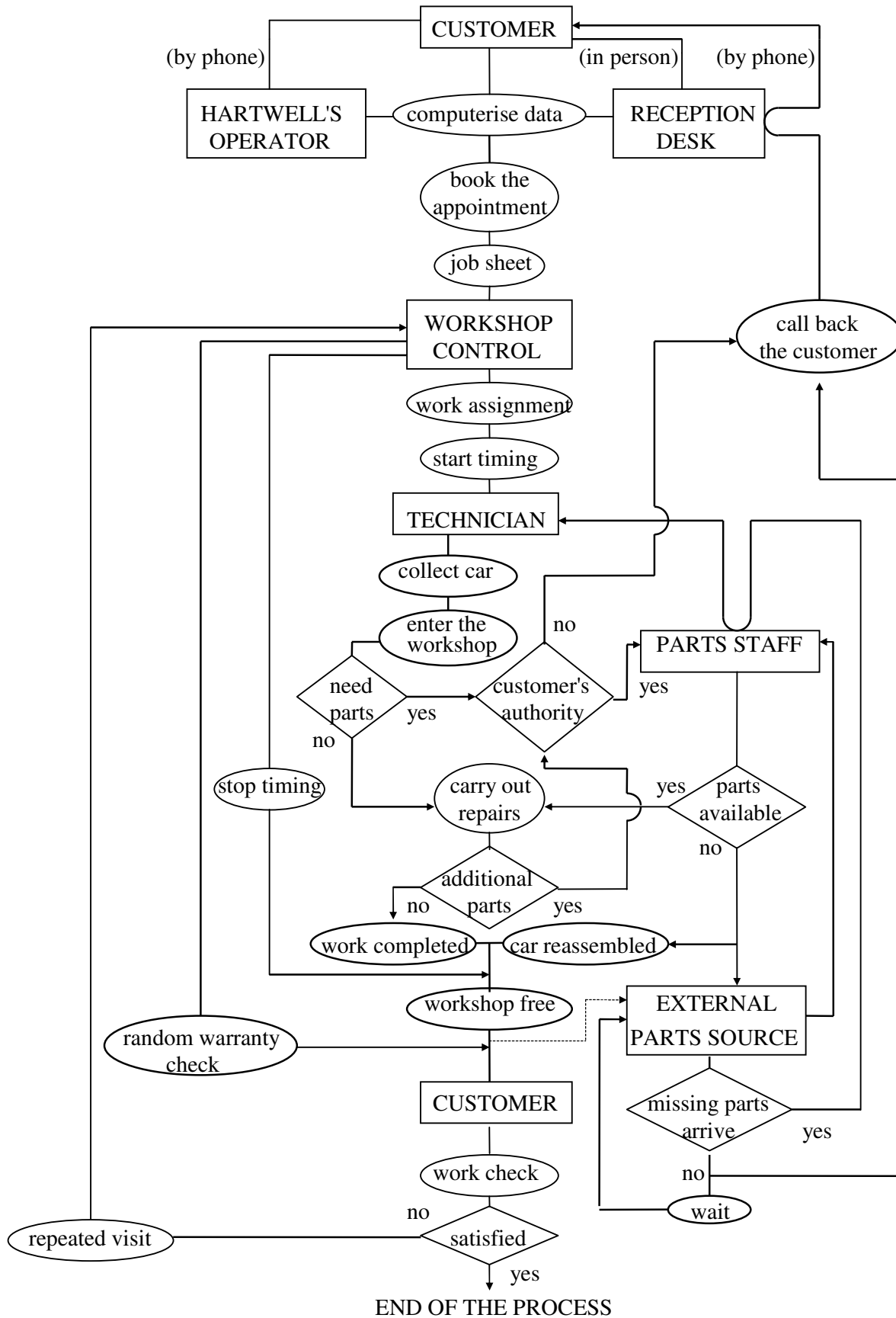
In fact, the present procedures used by the Service's and the Parts' Departments show several points of inefficient utilisation of resources and lack of organisation.

Nevertheless, beside its complex appearance, the process is quite immediate and intuitive and this quality should be preserved in future possible changing scenarios, because very often the simpler the organisation is the better it performs.



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Service and Parts Job Flow



2. The Problems

The problematic areas seem to be linked to:

- 1) long waiting times to get in touch with Hartwell's Operator;
- 2) the failing of diagnostic procedures in complex cases;
- 3) repairing scheduled times not always respected.

Probably the excessive separation between the functions performed in the job flow is the major cause of all these problems.

This situation is the consequence of both objective limits of the technical structure and lack in interaction between customers and technicians.

The material limits are peculiar to the Seacourt's building structure, while the lack in interaction is probably affecting the all Hartwell's After Sale Department, and therefore it is to be considered far more deeply than the first one.

A vicious circle undoubtedly links the three above mentioned problems.

In fact the difficulties of communication between Reception, Operator and Workshop Control lead to the consequence that the Operator (or the Reception) is carrying out the diagnosis of car's faults without any exchange of information with both Workshop Control and Parts Staff.

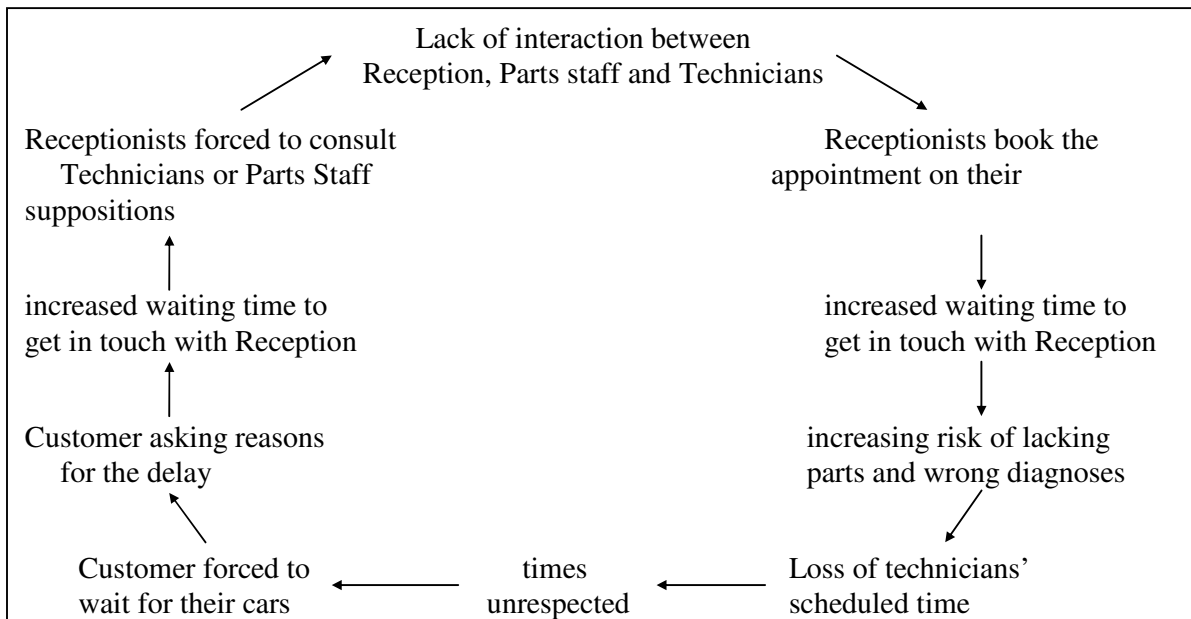
In this way they obviously book an appointment uniquely on their suppositions.

This fact increases both the waiting time to get in touch with the Operator and the possibility of wrong predictions with subsequent reordering of parts and loss of time.

Technicians often have to reassemble the car, without having finished the work, to free the workshop; then they have to park it and recollect it afterwards.

This situation obviously provokes delays in their scheduled timetable (look to the picture in next page).

The Vicious Circle of Inefficiency



Moreover the current procedures completely miss any **direct and immediate instrument of feed back** from the customer.

Finally we have to consider the lack of effective involvement at a decisional level of the personnel which causes a consequent negative attitude of technicians not functional to the betterment of present procedures.

3. The Viable Solutions

In my opinion the first thing to do is to construct a feed back instrument which will be the base for every future modification of the internal organisation in the Service Department.

It does not matter on which method it is realised, the only thing important is that it has to provide us with direct data from the customers.

A questionnaire, like that experimented in Seacourt's dealership, is only an example of what can be done (look at Appendix A).



The results of this feed back instrument should be analysed very deeply by a working group formed by one or more element from each office involved.

There are several reasons why a group should work on this matter: the first, of course, is to solve the efficiency problem of the Service Department.

The second one is to improve the communication level between the different components of the process, which is the major problem of this department.

The third one is to build a customer oriented procedure, in order to avoid customers considering to have their car repaired in a smaller garage.

But The most important one is to involve technicians to a higher decisional level, in a way to enrich their neglected role to improve auto correcting routines and sense of satisfaction both in the customers and in the staff.

I am deeply convinced that somewhere in the organisation is already present the solution to these problems.

The difficult thing is to find out the right way to push people, now passively involved, towards a more active and productive participation.

The first innovation the group would be asked to decide on should be the shifting of the operator's phone (now located in the workshop control) to the reception desk, and the installation of a permanent interactive device between the desk itself and the workshop control (a special software or a special phone).

The unification of the reception procedures is not an obliged step, in fact this result can be achieved through any means which allow reception personnel to get in touch permanently with the workshop control.

The increased number of phone operators would be useful, but the unification between Operator and Reception will probably affect the waiting time for customers visiting the



Service Department personally, for this motive we have to consider the problem very carefully.

An intermediate solution could be the employment of a part time operator/receptionist to join the others in the busiest times of the day.

In the meantime we should consider also the possibility of printing a brochure or something equivalent to inform the customer about best times to phone in.

The second process innovation should be the conversion of one workshop in a diagnostic area, designed to allow a specialised technician to check in advance the parts which need changing and to book the appropriate order through the Parts Staff.

A further interesting innovation could be the creation of a works advancement advisor, whose primary function should be to follow all works and eventually inform customers of the possible delay, and to provide a monitoring function over the whole process (identifying and eliminating the causes of delays).

This new figure should be working in the place now occupied by the operator and could perform some of the workshop controller duties in order to allow him to run the diagnostic unit.

Receptionists will refer to him when a car is not ready, avoiding to research personally the reasons of the delay.

He could be also the key figure in the working group and act as a reference for the other members.

Last but not least, it is very urgent to create a permanent instrument to measure customers' satisfaction, which have necessary to be simple, direct, and as impersonal as it is possible (because customers naturally tend to avoid conflicts with a person who can be involved by their statements).



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The customer itself should become part of this monitoring device by introducing a final signature (with eventual comments or suggestions) on the job sheet when collecting their car.

The vital function of this instrument would be to provide the group with data about the weak points of the structure from the client's point of view.

During the running of the enquiry I have realized that a great part of the data I was asking for were already present in the Job Sheet, but they were not used.

These data can be a very useful mean to measure the efficiency of the procedures.

For this reason I suggest also the creation of an instrument that should report automatically the percentage of cars finished beyond the agreed time and every case of failure occurred in the job on the car.

No human system is 100% error free.

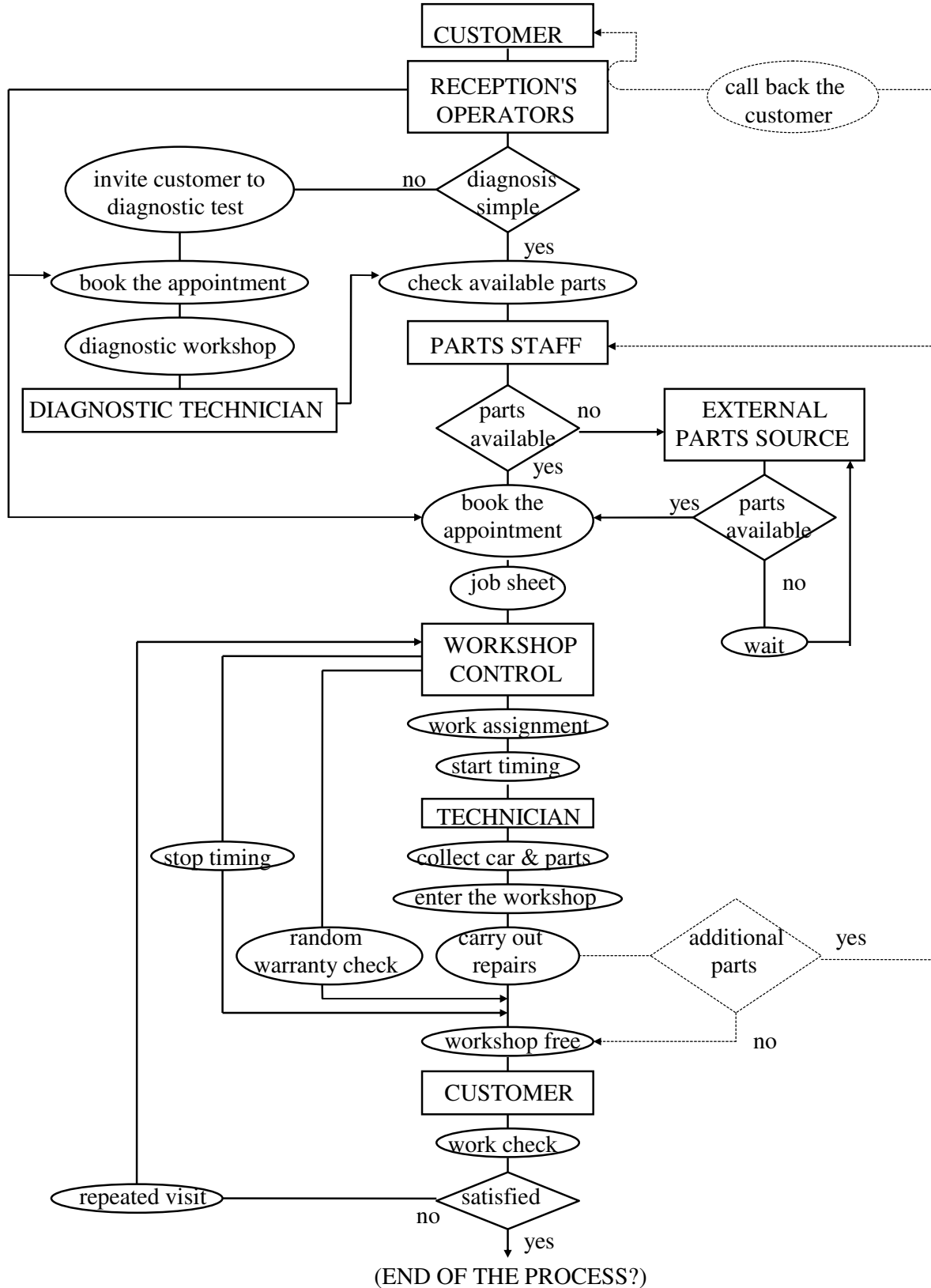
A self correcting structure does not hid his failures but strongly emphasize them, not to punish the responsible persons, but to find the way to avoid the same errors in the future.

The process would finally be similar to the one shown in the flow chart in the next page.

It involves the parts' staff exclusively in the first steps (before the booking of any appointment), by this way the possibility of unexpected stops in the process is strongly limited to exceptional cases.

All the passages of this new procedure will be monitored by automatic computer elaboration and the results of every step will be reported weekly or monthly.

Service and Parts Job Flow (II)



4. Future Evolution

The Hartwell's Group can not afford to ignore any longer the possibilities of interaction with the customer.

Customer satisfaction policy is only the first step; the next one will be the shifting from a top-down management style to a more efficient bottom-up.

These innovations are vitally important especially to the After Sales Department, because of its continuous and repeated contact with the customers.

This Department is going to have big profit problems in years to come if something is not done now.

Obviously It is difficult to forecast future evolution, but I think that little and medium garages, whose policy is naturally customer oriented, will be the most difficult enemy to overcome.

For this reason the future vision sees a more "open" process, in which people is not regarded as "them" and the organisation as "us".

Everyone has to give his contribution to the Service's improvement within their playing role in connection with others and with the customer itself.

The key words in this new perspective will certainly be: **"role"** and **"communication"**.

This scenario will take a long time to be perfectly implemented, but as soon as it is real it will completely change the way this organisation works.

Appendix “A”

Customer Satisfaction Post Visit Enquiry¹
(to be completed by the customer when collecting their car)

- How did you make the appointment for your service? By Phone In Person
Only in the case you used phone:
 Did you find it easy to contact our operator? Easy Acceptable Difficult Unacceptable
 How long was the waiting time? Short Acceptable Long Unacceptable
- Car's Year of First Registration: 1994-95 1992 - 93 1990 -91 Before 1990
- Did you purchase your car New Used Other (Company Car)
- Is your car covered by any form of warranty? Yes No
- Was it a routine service? Yes No
- Was the work finished by the agreed time? Yes No Partially

Comments and suggestions (OPTIONAL):

if you are not completely satisfied please write here your name, address and tel. no.

Thank you for your help.

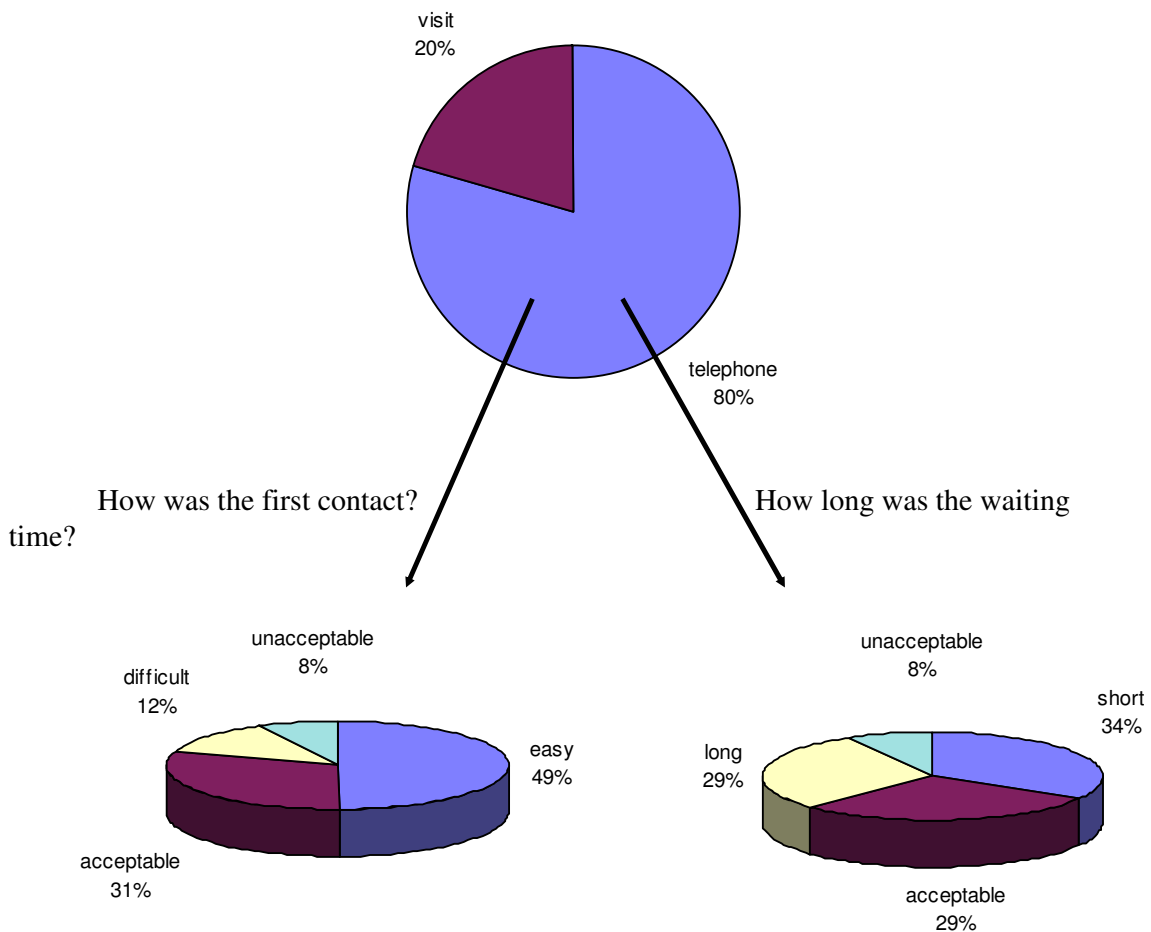
¹ Initially this enquiry form included questions about customer’s sex and age, but these questions were bothering especially women. In the last version I was forced to add personally not only sex and age, but also the registration year and the informations about the kind of work required (routine, warranty, account, ecc.) to shorten the filling times.

Results of the enquiry

The number of customers contacted is 210 (since the 22nd of May to the 7th of June, 1995).

The problematic areas emerged in the previous theoretical analysis are fully confirmed in the empirical research. The answer to each question is here reported through pie charts and brief comments.

How was booked the appointment?



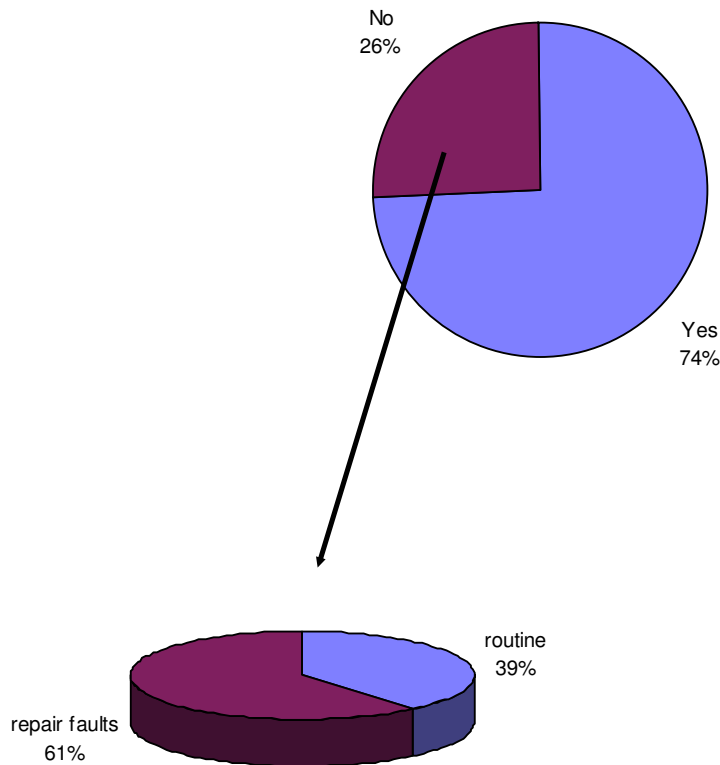
There is a strong prevailing majority of customers using telephones to book their appointment.



A percentage varying from 20% to 37% of them has reported some difficulties in getting through our operator.

I think the phone problem is linked to Seacourt Tower dealership organisation and it has been mentioned several times in the “Comments and Suggestion” section of the enquiry.

Was the work finished by the agreed time?*



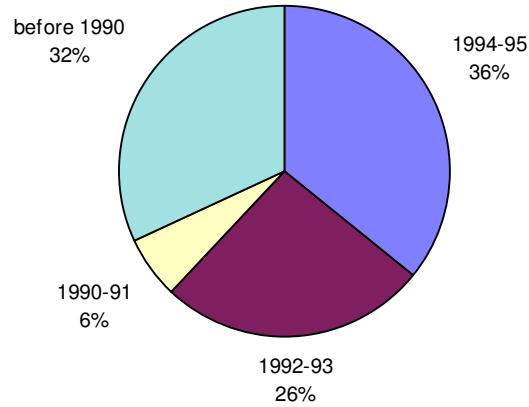
It is interesting to underline that the majority of the cars not ready on time is made up of repair works (anyway this particular thing will be better analysed further haed in this appendix).

Moreover we have to consider that a big part of the routine work not completed in time is due to lack of needed parts and not to the difficulties in carrying out repairs.

* The answer “partially” has been recorded as a negative answer.



Year of Registration



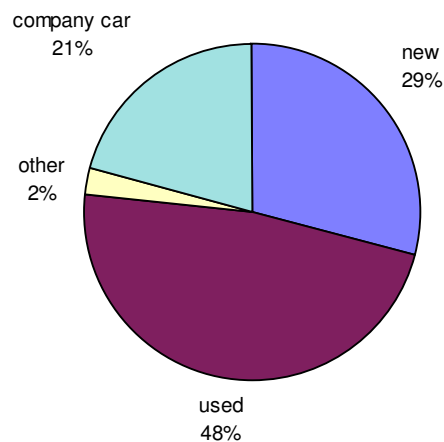
It is interesting to notice that the average age of cars serviced is quite high.

Probably customers prefer to have their car serviced by the maker authorised dealer when it became older, to be more sure the work is done properly.

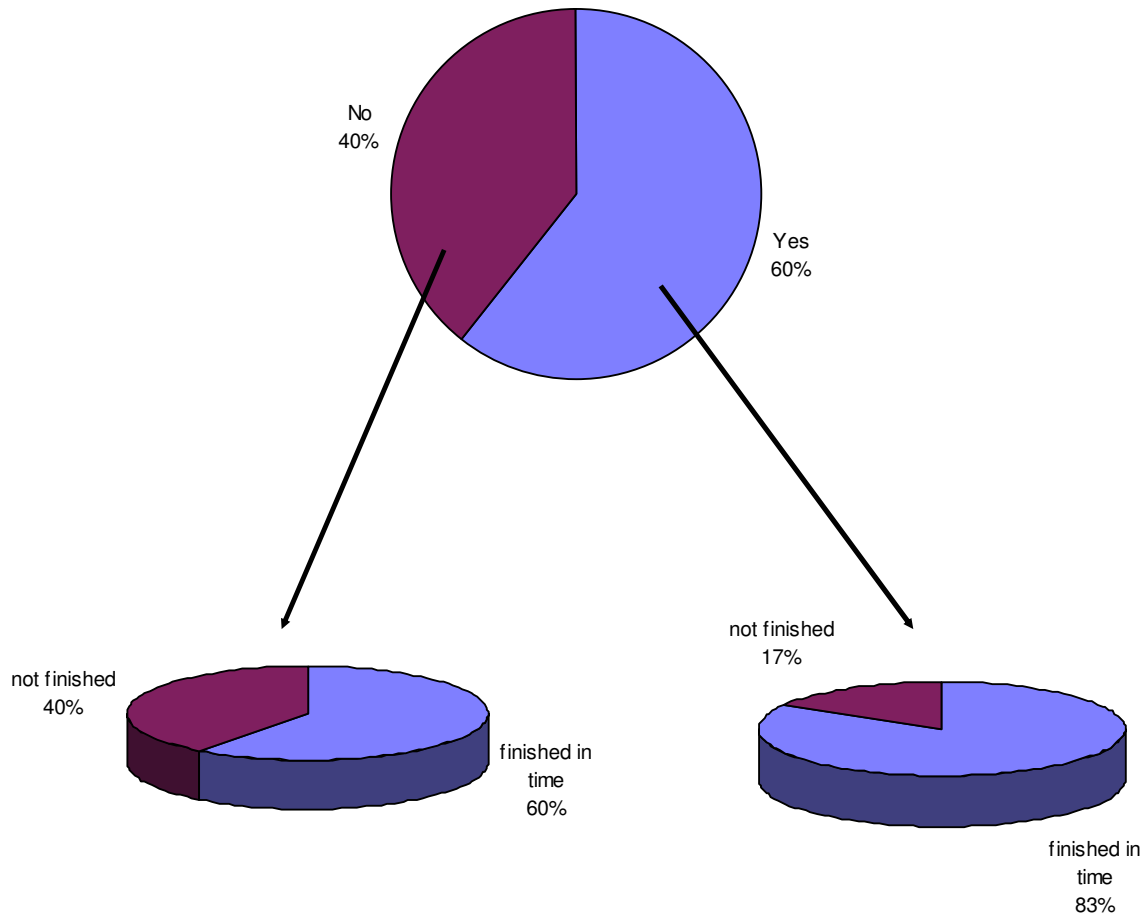
This factor is to be considered very deeply, because it could affect both repairing times and efficiency.

The prevailing of used cars seems to confirm the importance of this fact, and consequently we have to investigate carefully the reason of such a scarce appeal on new car owners.

Is the car new or used?



Was it a routine work?



The prevailing of routine services is probably linked to the customers feeling that a service department as busy as Hartwell's can not deal with complex and time needing problems.

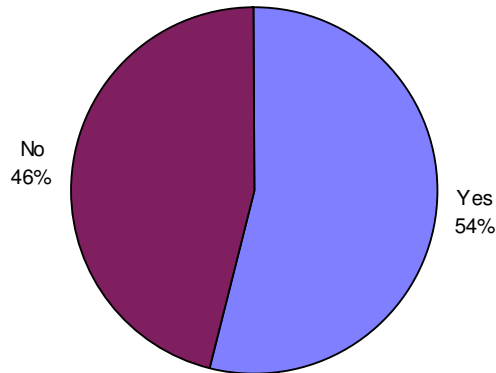
Moreover we have to consider that this situation is functional to an efficient organisation, because the diagnostic unit would not work in routine service cases and consequently the customer would not be asked to have his car pre-checked.

This meaning less time wasting for customers and for the diagnostic technician.



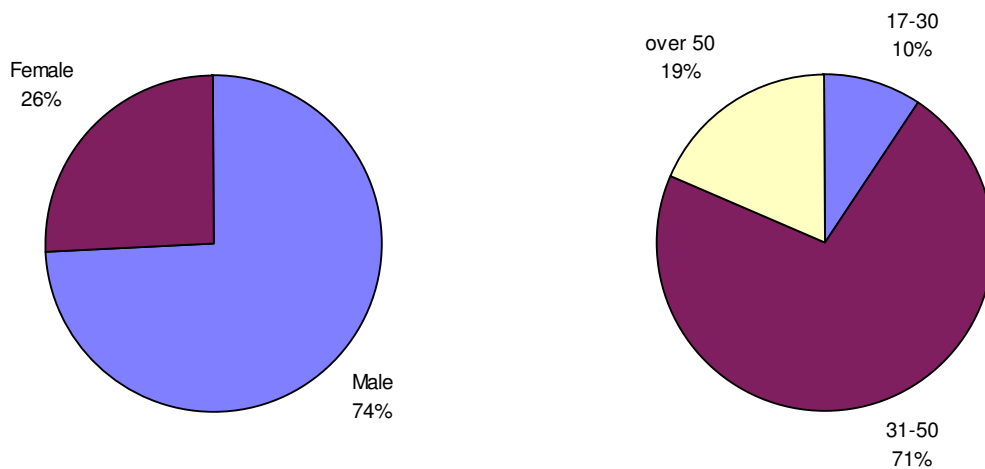
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Was the car covered by any form of warranty?*



More than a half of the customers is linked to this service department by contractual agreements, this means that the attracting power of this structure is quite low at the moment.

Sex and age of the customers



The great majority of Hartwell's customers are third aged men.

This has to be considered in choosing eventual future communication policies, in the perspective of increasing Service's attractive power.

* Cars serviced on account agreements were considered as covered by warranty.

Appendix “B”

Roles & Functions in the Seacourt Tower Dealership Service Department

Reception - Operator

Booking

- ↳ Routine Service: - Book the Appointment;
- Fill in a daily list of car booked and service needed (for the parts Staff).
- ↳ Repair: - Invite customer to a diagnostic test;
- Book the appointment for the diagnostic technician;
- If parts are not available the day before the repair call back the customer;
- If the customer refuse to have his car tested advise him against possible delays in the agreed repair time.

Receiving customers after the work

- ↳ Refer to Works Advancement Adviser for information;
- ↳ Have the customer to sign the receipt/customer satisfaction form.

Parts Staff

- ↳ Check parts list received from reception and diagnostic technician;
- ↳ Order missing parts;
- ↳ If required parts do not arrive the day before the repair contact reception.

Workshop Controller - Diagnostic Technician

- ↳ Work assignment & timing;
- ↳ Carry out required diagnoses;
- ↳ fill in the list of parts needed.

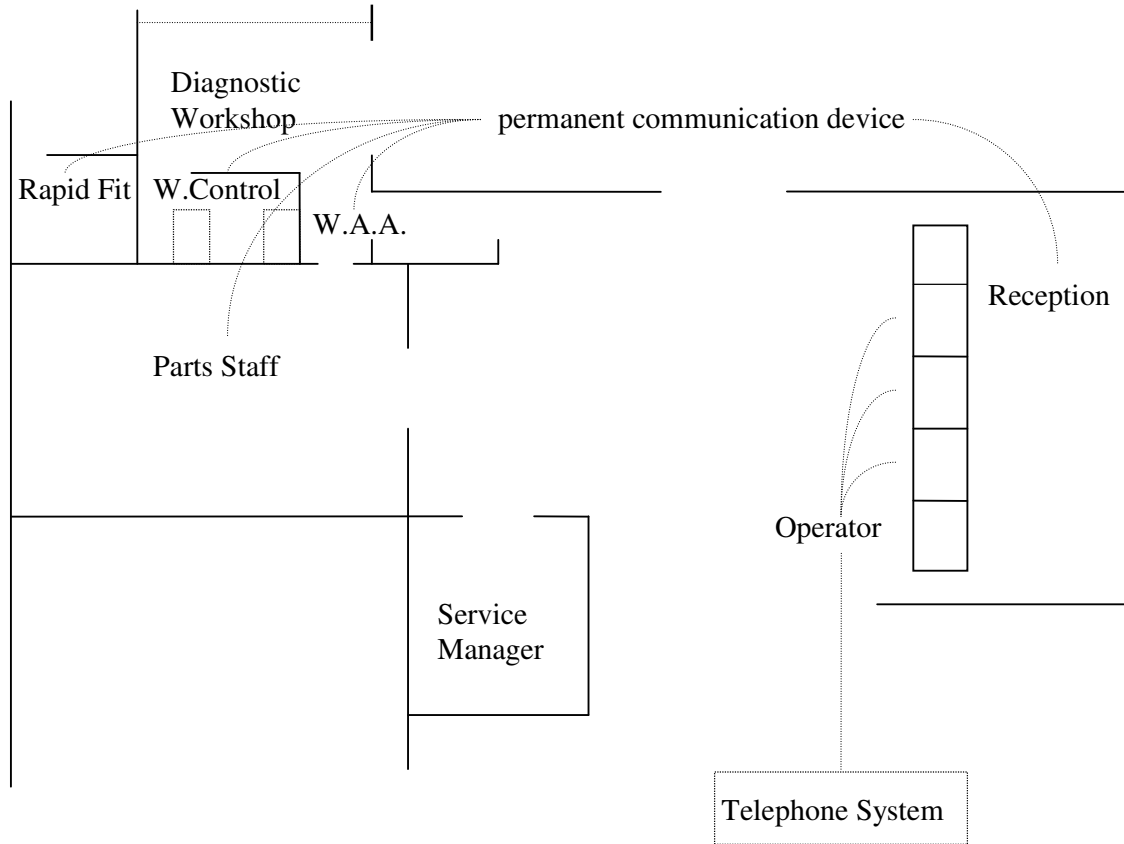
Works Advancement Adviser

- ↳ Update continuously a daily list of all car in service or repair (with the location of the car)
- ↳ Computerize data of works done on Job Sheets;
- ↳ Look after late finished cars.



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Seacourt Service Department Plan





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