

What Service Measureables Really Mean

Key Indicators Description & Formula

Sale Type Mix – The contribution of each labor sale type; Customer (External), Warranty & Internal to the total labor sales for the department

Formula: Labor Type sales divided by Total labor sales = labor sale type contribution

Example: \$45,462.40 customer labor sales divided by \$120,520.62 total labor sales equals 37.7% customer labor sales contribution

Customer Effective Labor Rate – The actual rate per billed hour collected for all customer (external) labor sales.

Formula: Customer labor sales divided by customer billed hours for the same time period

Example: \$45,462.40 customer (external) labor sales divided by 492.0 customer billed hours equals \$92.40 Customer Effective Labor Rate

Overall Effective Labor Rate – The actual rate per billed hour collected for all labor sales (customer, warranty & internal)

Formula: Total labor sales divided by total billed hours for the same time period

Example: \$120,520.62 total labor sales divided by 1,352.6 total billed hours equals \$89.10 Overall Effective Labor Rate

Billed Hours – A unit of time (flat rate or straight time) that is actually billed to someone with intent to collect, (customer, factory warranty, extended warranty, sales department)

Value per Repair Order – Generally expressed as total dollar value per customer repair order, to include parts sales

Formula: Total customer parts and labor sales divided by the number of customer repair orders for the same time period

Example: \$220,520.62 Customer Labor & Parts sold divided by 1546 customer repair orders equals \$142.63 per customer repair order

Technician Productivity – Total time actually “clocked” on lines on repair orders for a time period (day, week, pay period, month) versus the amount of time actually on-site for same time period

Formula: 6.0 hours punched or clocked working on repair order lines for the day divided by 8.0 clock hours spent on-site equals 75.0% productive

Technician Efficiency – The amount of time actually “clocked” on lines on repair orders for a time period (day, week, pay period, month) versus the amount of “billed” hours for the same time period

Formula: 9.0 billed hours for the day divided by 6.0 hours of time clocked on lines on repair orders equals, 150.0% efficiency

Technician Proficiency - Simply the amount of billed hours for a time period divided by the amount of clock time spent on-site for the same period

Formula: 9.0 billed hours for the day divided by 8.0 hours spent on-site equals 112.5% proficiency

Technician Schedule Efficiency – The work schedule days/hours for the technician staff versus the actual amount of time spent on-site

Formula: One technician with 162.0 hours on-site for the month divided by the schedule of an 8.0 work day times 23 working days or 184.0 hours equals a schedule efficiency of 88.0%

Effective Cost per Hour – The real or actual cost paid to the technician to produce one billed hour, (wages only included)

Formula: Total wages paid to the technician for the pay period divided by the total amount of billed hours for the pay period equals the effective cost per hour

Example: \$20.00 clock hour rate paid to the technician for 40.0 clock hours equals \$800.00 divided by 25.2 billed hours for the same time period equals \$31.74 effective cost per hour

Stall/Bay Potential – The amount of revenue or billed hours that each stall/bay could generate at 100% production of the stall/bay availability (normal work schedule)

Formula: Number of stalls/bays times the daily hours times the number of working days for the month times the Overall Effective Labor Rate equals the stall/bay potential for the normal work schedule

Example: 10 stalls/bays X 8.0 schedule X 21 working days X \$92.40 overall effective labor rate equals \$155,232.00 in potential labor sales

Facility Potential – The amount of revenue or billed hours that the facility is capable of producing by utilizing the stalls/bays seven days a week, twenty four hours a day

Formula: Number of stalls/bays times 24 hours times 7 days times 4.3 weeks times the overall effective labor rate (or actual days) equals the monthly facility labor sales potential

Example: 10 stalls/bays X 24 hours X 7 days X 4.3 weeks X \$92.40 Overall Effective Labor Rate equals = \$667,497.76 facility labor sales potential

Hometown RV & Trailer Sales

Rate Structure

Diagnostic Quote \$75.00

(Wind noise, water leaks, satellites, electrical shorts, etc. do not apply)

Maintenance \$110.00

Fluids, tire pressure, wheel pack, max air covers, vent lid
hitch wiring, black tank flush, annual inspection, roof clean & UV protection

R1-Repair Level 1 \$125.92

Trim, furniture, R & R small appliances, décor, soft goods
light fixtures, exterior lights, awning center rafter, tongue jacks
stable jacks, vent fan, tow bars

R2-Repair Level 2 \$135.92

Water heater repair, refrigerator repair, R & R large appliances, gray water,
plumbing, ladders, electrical slide room repairs, roof seal and repair,
furnace repair, external steps, awning repair

R3-Repair Level 3 \$145.92

Electrical, repair air conditioning, black water plumbing/tank,
satellite repair, hi-end electronics, carpet, vinyl, tile, secondary
braking, hydraulic repairs, structure repair, steel, skin, stool riser

Transient \$155.92

Non-resident customer

What to Watch and When

Quick Reference

Daily

Early morning “board” meeting to review all jobs in process with entire staff

Total Shop Production (billed hours) MTD versus department goal

Appointment Schedule & Shop Load

Repair order “felt-tip” review, counsel with Service staff

MBWA (manage by wandering around) “coaching the staff”

Shop Walk (at 10:00, 2:00 & 4:00 minimum)

Carryover units and reason (parts holds)

Customer concern cases

Repair order exceptions and sale price over-rides

Personally distribute Technician billed hours report

Load the shop with units for the next day

Weekly

Customer Effective Labor Rate by Service Advisor

Flat rate (billed) hours sold by Service Advisor

Total dollar value per customer repair order by Service Advisor

Repair orders (customers) handled by each Service Advisor

Billed Hours sold per customer repair order by Service Advisor

Open repair orders by Service Advisor

Rejected warranty claims, short pays, etc.

Technician payroll

Overall Effective Labor Rate

Monthly

Warranty Schedule, dollars and age

Policy charges and detail

Shop supply expense and detail

Total shop production (billed hours) versus monthly objective

Labor gross profit margin – by sale type (External, Internal & Warranty)

Work In Process dollars and age

Sublet schedule

Customer repair order count

 Month current year versus Month previous year

 Year to date versus Last Year to date