



VOL. 11 No. 18

SEPTEMBER 15, 1937

MONTHLY QUOTAS OF CUSTOMER LABOR, PARTS AND ACCESSORY SALES

Each department should contribute its fair share of profit. The amount of income produced by the Service Department depends on the sales effort exerted by the Service Manager and Service salesmen. Service income is spoken of as "Fixed Income." It is expressed as such because in a well-balanced service operation, the sale of customer labor, parts and accessories, does not vary much, month by month, and is not dependent each day on the number of new cars sold. Volume is the result of traffic through the Service Department. Dealers cannot consider their service clientele as permanently established. Therefore, the owners of cars must be followed up and sold.

Unless objectives are established for the sale of labor, parts and accessories, merchandising efforts vary, with the result that the "Fixed Income" will be insufficient to absorb the desired amount of "Fixed Expense." A definite responsibility for the attainment of monthly sales quotas should be given to the Service Department. These quotas should cover customers contacted and the average labor sales per repair order. Conscientious effort by the service force to attain these quotas will result in a more profitable operation.

If you will review the sales figures of the Service Department for a period of months, you will find the normal business will average about the same each month. Make this study from your own operations. The first step is to establish customer labor sales quotas.

To establish a monthly customer labor sales

quota, add the figures for the last three months and divide by three. To this result, add 10%, which will be the new month's objective. Take a three months' average of the number of customer repair orders. This will give you the average number of customers it will be necessary to contact each month to obtain the labor sales quota. Both the monthly labor quota and the number of customer repair orders should then be broken down to obtain the daily average. This is easily done, for it is only necessary to divide the monthly labor quota and the monthly quota of customer repair orders by the number of working days in the month to obtain the daily averages.

You will then have established both month and daily quotas for customer repair orders and customer labor sales, which are reasonable to attain, inasmuch as they are made from your own financial statements.

New quotas should be established each month following the same procedure. This will not only compensate for seasonal trends, but also prevent excessive tendencies to ease up on merchandising effort. Similar study of the financial statements will reveal that on the average there is a direct ratio between the sale of customer labor and repair parts. It, therefore, becomes an easy matter to establish parts and accessory quotas along similar lines to those used in establishing customer labor sales quotas.

Daily records of quota attainment provide the management with a definite means of supervising

Packard produces fine cars and Packard Service keeps them at their best

Comparison," to which at monthly intervals the information of the Daily Customer Labor Sales Record is transferred. These monthly records then provide the means for establishing new quotas each month.

Many dealers are using these records to bring about a more uniform control of the service profits. To stimulate interest in the Service Department, a thermometer-type quota card is provided which can be used to graphically show the daily performance of the "Number of Repair Orders Written" and the "Customer Labor Sales."

This monthly service quota card presents in striking, forceful manner the progress made each day by the number of repair orders handled and the service sales volume. The space in the center, indicating the day of the month, can be blocked-in with red crayon. One of these quota cards should be assigned to each service salesman. The forms required for keeping a record of labor sales and computing quotas are illustrated on this page. They are contained in an attractive binder known as the "Dealer's Service Manager's Guide." The entire outfit, including sufficient forms for one year's use, is covered by form number CPS-998C and sells for \$1.10. Customer quota cards accompanying this outfit bear the form number CPS-706, on which the nominal cost is as follows:

25	\$.75
50	1.25
100	2.25
250	5.00
500	9.25

Your order should be placed with the Reynolds & Reynolds Company at Dayton, Ohio.

The conscientious use of the information provided by these records will be found valuable in providing the necessary supervision to obtain the desired customer labor sales quotas. They will assist in stimulating the action required to produce service volume before it is too late. The objective should be to get Customer Labor, Parts and Accessory Sales Volume to produce "Fixed Income" sufficient to absorb 50% of the "Fixed Expense."

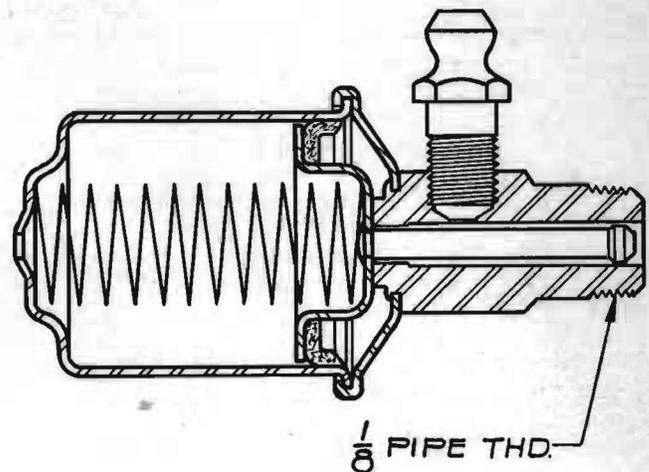
LEATHER OIL SEALS

Leather oil seals should be thoroughly soaked with engine oil before installation. This applies to the seals used at the rear axle shaft outer bearing, the forward end of the differential pinion shaft and other similar points.

If leather seals are installed dry the friction between the leather and the shaft is greatly increased, and both the wheel and the shaft may become so hot as to suffer damage before the lubricant which the seal is retaining becomes effective.

In the factory these seals are soaked for at least twenty-four hours before using and the same practice should be followed as nearly as possible in the service field.

LUBRICATOR CONNECTOR, RESERVOIR TYPE



We are now carrying in the Service Stores Division a Lubricator Connector with a reservoir attached. This lubricator has a spring-actuated plunger which feeds lubricant to the bearing as long as grease remains in the reservoir. This device will be appreciated by owners who do not find themselves in position to have their car greased at the regular intervals shown in the Lubrication Chart.

This lubricator carries piece No. 242183, comes with 1/8" pipe thread and will replace the standard 1/8" lubricator connector. The suggested list price is 55c each.

LETTERS TO OWNERS

Individual letters to owners are very effective as good-will builders and business getters. Form letters won't do nearly as good a job, as they cannot have the personal touch they need.

A study of your files once a week will allow you to select a few names for this personal attention. Keep at it regularly and you will find that it isn't such a big job. The results will pay well for the time and trouble and you will soon begin to notice an increase in your service volume and in the more friendly attitude of your owners.

Dear Mr. Jones:

We, as distributors of Packard cars, are greatly interested to have your Packard car run well at all times.

Recently we have added to our Service Personnel, Messrs. Cole, Henson and McNasser. These men in addition to our regular staff will assure you of individual attention.

As an additional convenience to our owners, we have added a fully equipped double wash rack so that it is possible to have your car washed when left here for Service or washed while you wait.

We have added to our Shop Equipment so that with our Packard trained men we are able to render more efficient service than ever before.

According to our records your car has not been in our building for service for some time. We are wondering why.

Have your Packard serviced at a Packard Service Station! It doesn't cost any more.

We would appreciate an expression from you at your convenience.

