

#NADASHOW

2024 **NADASHOW**

*Driving
the Future*

What To Do About Service Advisor Turnover?



Gabi Salomon

Manager | Ducker Carlisle | Boston, MA

+1. 203.249.1014 | gsalomon@duckercarlise.com

The views and opinions presented in this educational program and any accompanying handout material are those of the speakers, and do not necessarily represent the views or opinions of NADA. The speakers are not NADA representatives, and their presence on the program is not a NADA endorsement or sponsorship of the speaker or the speaker's company, product or services.

Nothing that is presented during this educational program is intended as legal advice, and this program may not address all federal, state, or local regulatory or other legal issues raised by the subject matter it addresses. Program participants should consult with their attorney to obtain advice with respect to any particular legal matter. The purpose of the program is to help dealers improve the effectiveness of their business practices. The information presented is also not intended to urge or suggest that dealers adopt any specific practices or policies for their dealerships, nor is it intended to encourage concerted action among competitors or any other action on the part of dealers that would in any manner fix or stabilize the price or any element of the price of any good or service.

Ducker Carlisle is an industry leader in motor vehicle aftersales benchmarking and insights

Company Overview

Ducker Carlisle is a market research and strategy firm serving the motor vehicle industry

Exclusively focused on aftersales parts and services for manufacturers and providers

Clients We Serve (Partial List)



Services Offered

Insights: Annually benchmark companies across all aspects of the service parts business and conduct syndicated surveys

Strategic Consulting & Implementation: Consulting projects for the service & parts business include pricing, inventory, channel management, sales and marketing, supply chain, and service operational excellence

Meet Gabi

Facilitator for Today's Session



Gabi Salomon
Manager of
Ducker Carlisle's
Strategy Practice

At Ducker Carlisle, Gabi is focused on improving auto service operations, including **Service Advisor retention**

Agenda

What's happening?



Why do Service Advisors leave?



What can you do about it?



What are OEMs doing to help?



What's happening to service advisors?

What's happening?



Why do Service Advisors leave?



What can you do about it?



What are OEMs doing to help?



Ducker Carlisle routinely surveys and benchmarks OEMs and Service Advisors to gather key insights

ASAS 2023

Automotive Service Advisor Survey

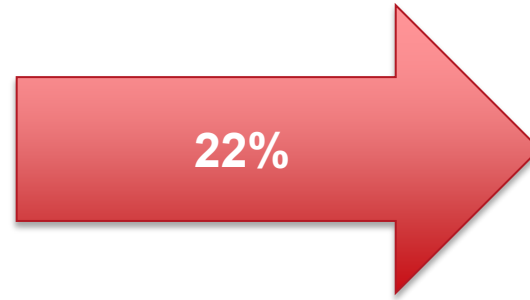
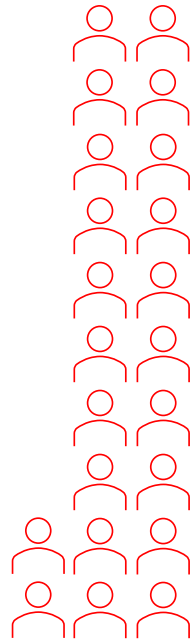
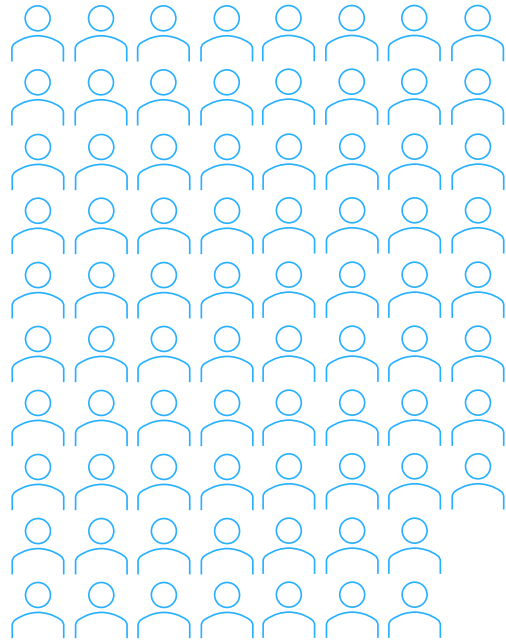
Surveys over 9,500 Service Advisors
working at 4,500+ dealerships and
representing 17 brands

NASB 2023

North American Service Benchmark

Benchmarks the same brands across
their service operations within their
North American dealership networks

A decent portion of Service Advisors surveyed **expect to leave** their current jobs in the next two years



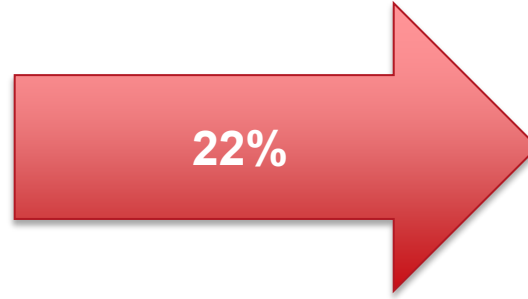
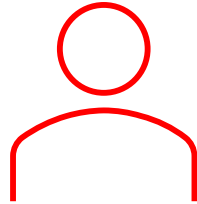
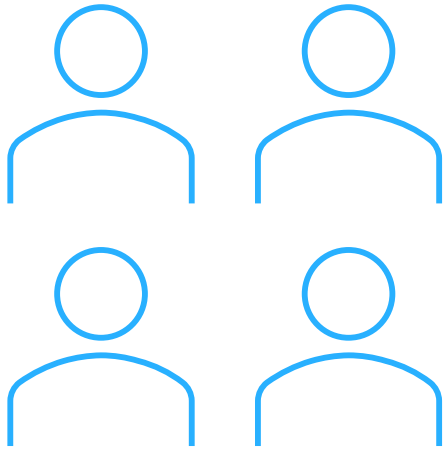
Different Dealership

Different Industry

Retirement

ASAS 2023

Losing 22% of your Service Advisors can make quite a big impact...



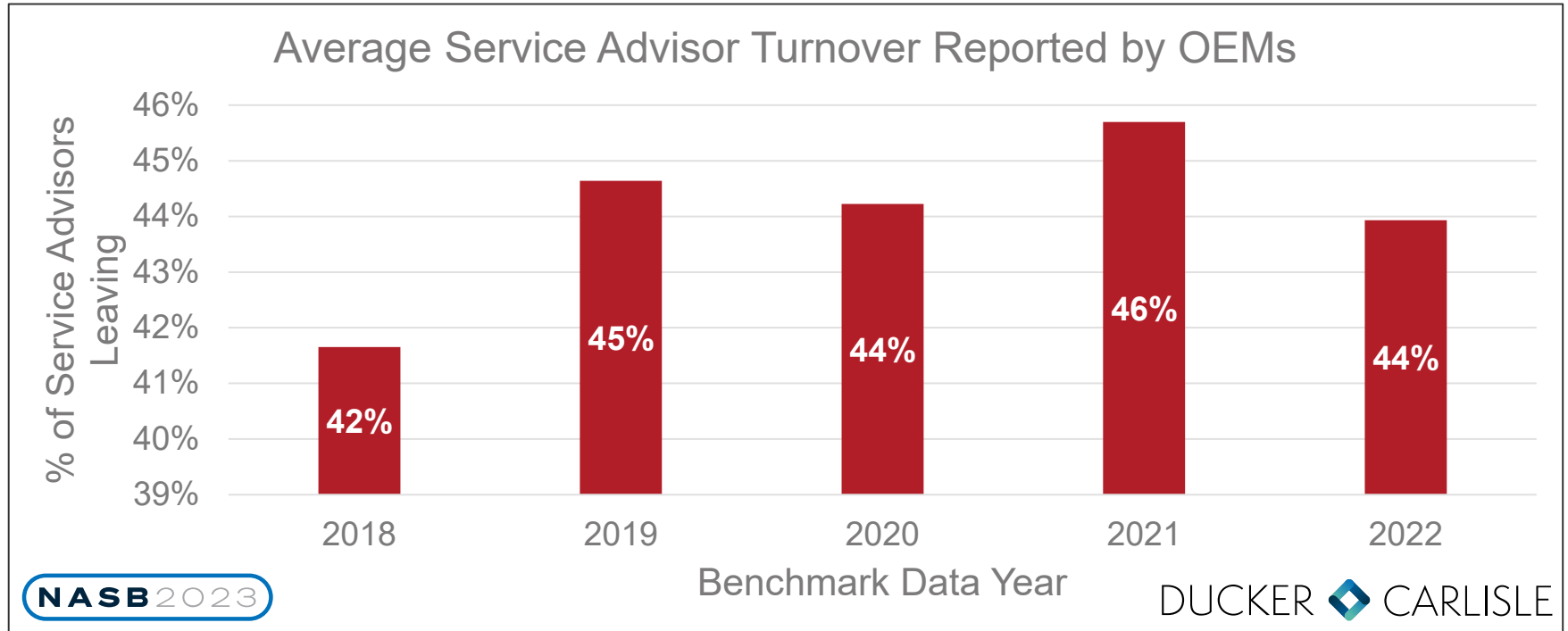
Different Dealership

Different Industry

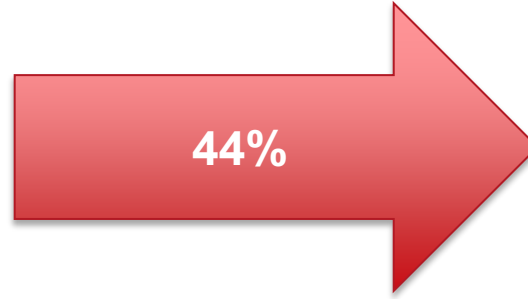
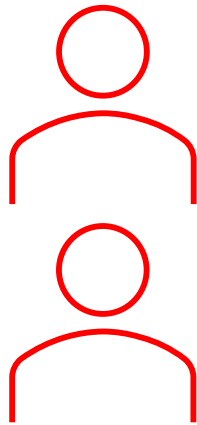
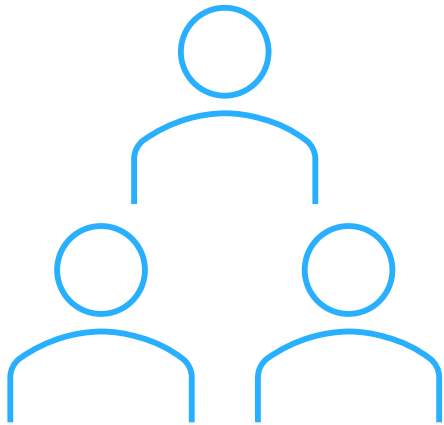
Retirement

ASAS 2023

Even still, that metric underestimates the amount actually leaving by roughly half



Now, it's like losing two of your Service Advisors every year



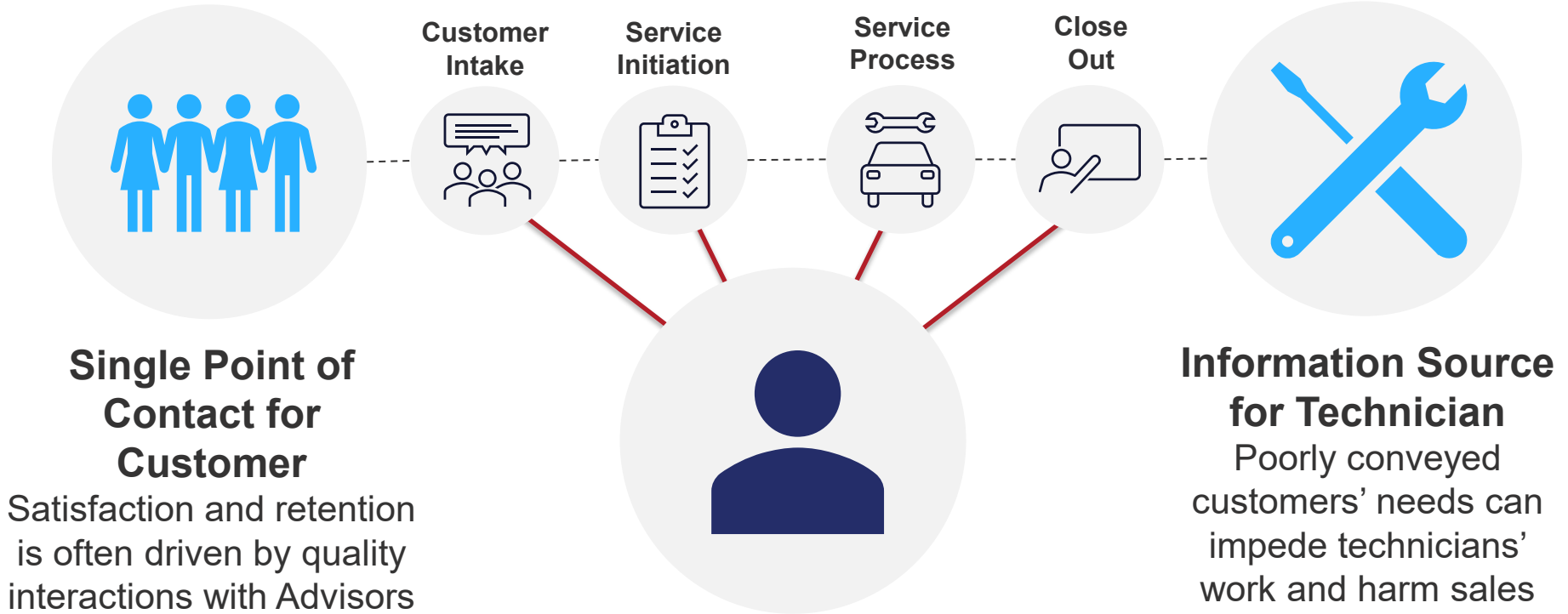
Different Dealership

Different Industry

Retirement

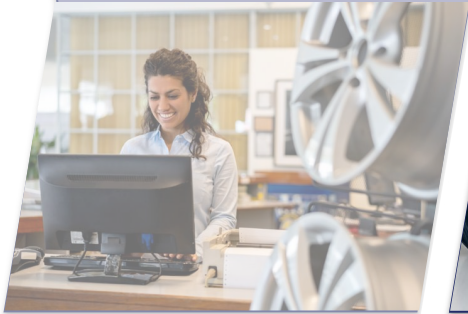
NASB 2023

Why does this matter? Service Advisors create an important link between customers and Techs during the service visit



So, why are they leaving?

What's happening?



Why do Service Advisors leave?



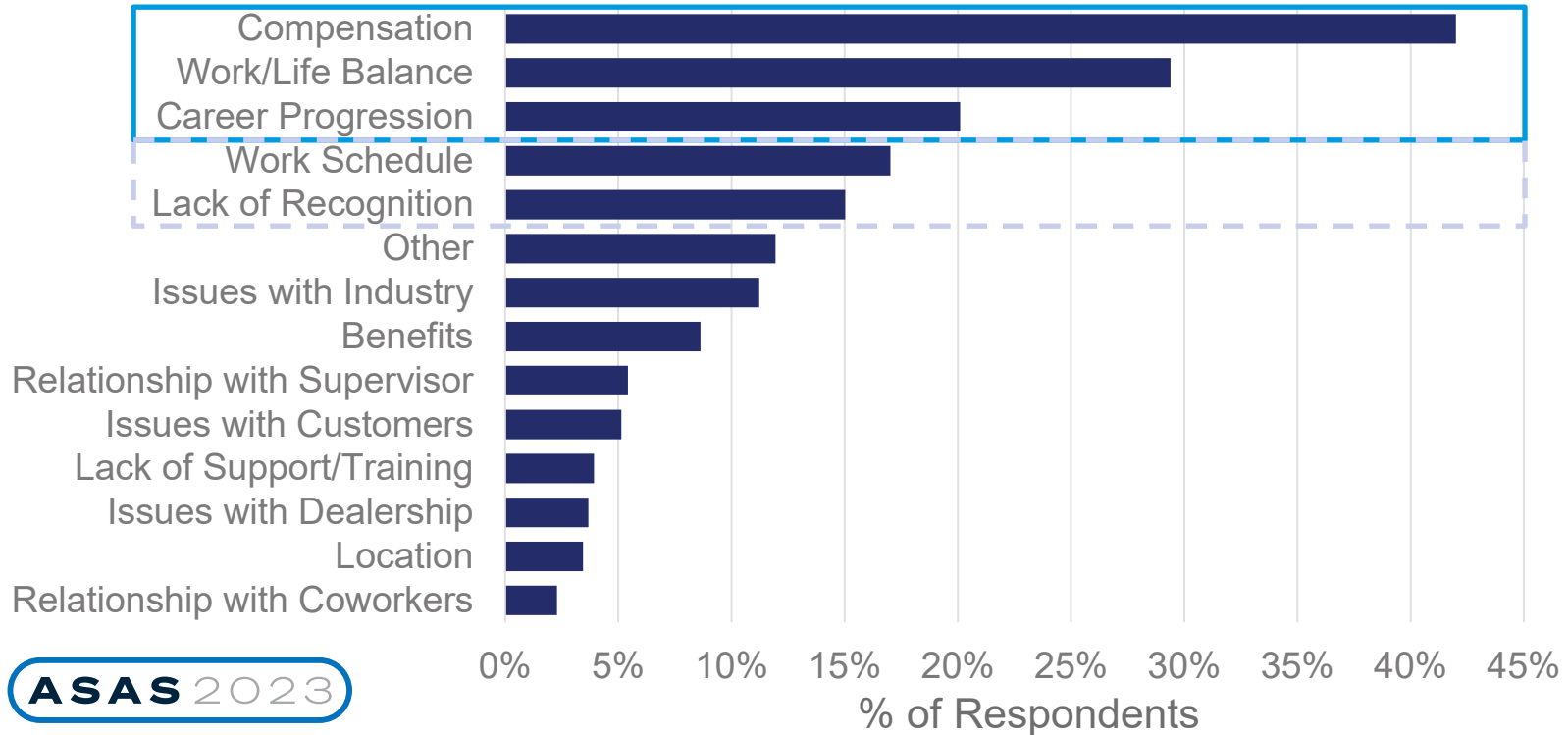
What can you do about it?



What are OEMs doing to help?



Compensation, work/life balance, & career progression are key drivers for Service Advisor turnover



Let's now go deeper into each of these reasons

Compensation & Pay Structure

Priority: Achieving a consistent, livable wage comparable to workload



Work/Life Balance

Priority: Maintaining personal commitments along with work responsibilities (and managing schedules)



Career Progression

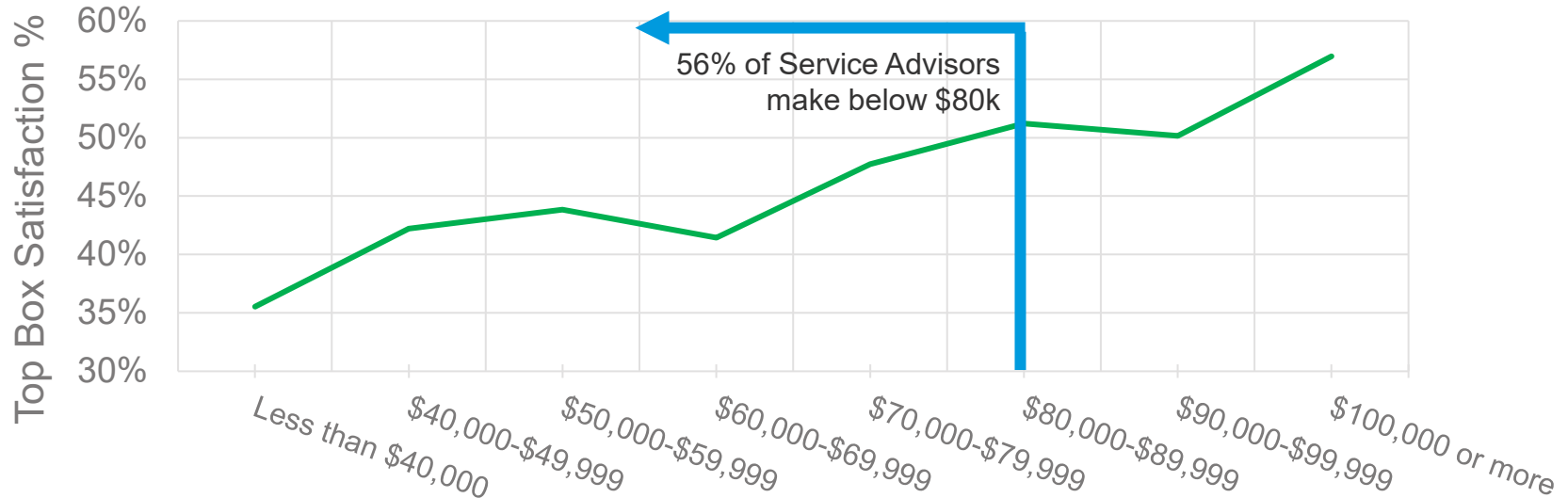
Priority: Receiving opportunities to advance and grow in their careers



As we would expect, Service Advisors are more satisfied with higher compensation



Service Advisor Satisfaction by Compensation Tier



ASAS 2023

Compensation Reported by Service Advisor

Advisors dislike sacrificing their personal lives to work more for less



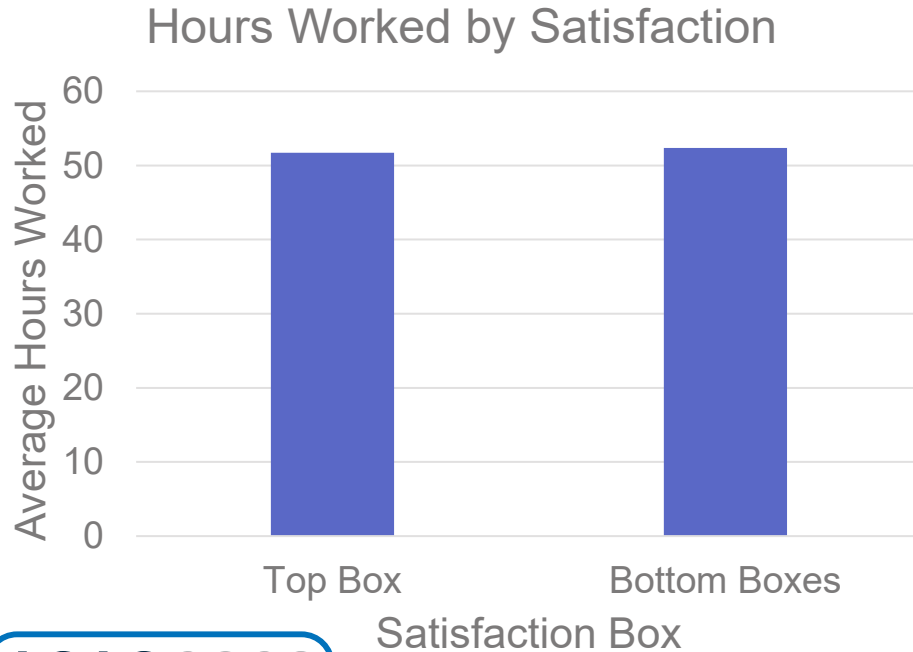
“The scope of my **job duties keeps growing** but my **pay hasn't increased**”

“...in the time I have started working here, it is **significantly busier**, but my **pay has remained the same**”

“The hours required do **not** leave **much time** for a **good work life balance.**”

ASAS 2023

Interestingly, Service Advisors work similar hours; yet, what they're tasked with...differs

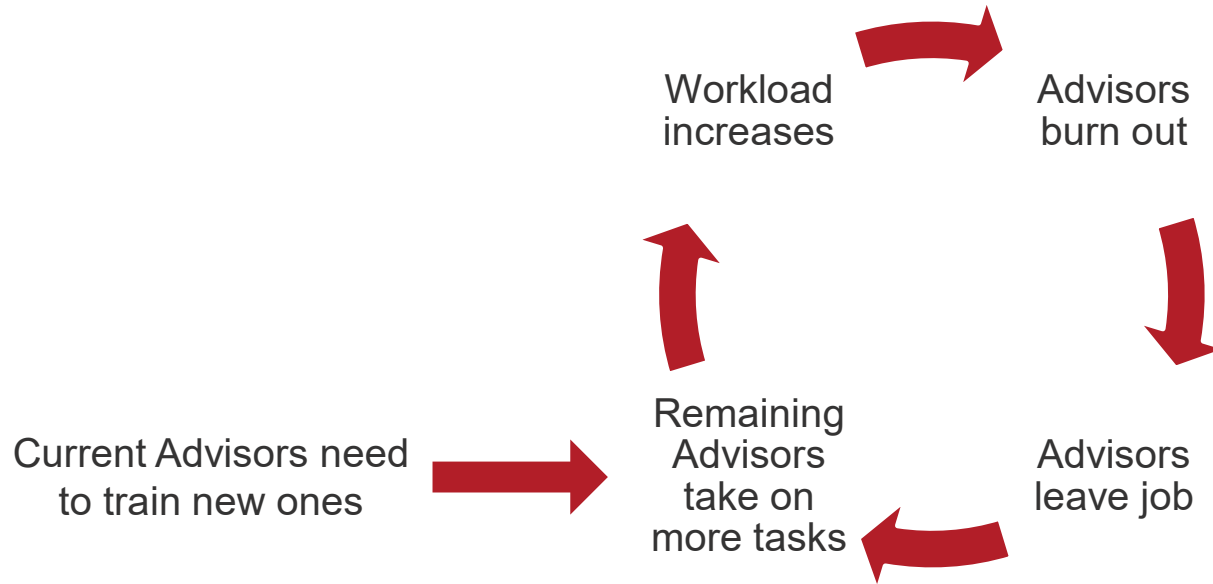


ASAS 2023

“I am stuck having to wash cars [and **not**] able to take in the required amount of vehicles to **have a good paycheck**”

“Labor shortages and customer demands have increased, forcing...**a large expansion in the scope of our position** (i.e. topping up oil, airing up tires, finding labor operations)”

The high turnover only reinforces the growth of their responsibilities



Remember: the current trend has you losing 1 or more advisors each year

Advisors also feel a lack of support for the professional growth and advancement



“[I] have had **very little training**, making performing my job very **stressful and discouraging**”

“There is **no opportunity to grow** further in the brand. [Brand] has dropped in giving **incentives/perks** for the employees. Advisors used to have **value for the brand** and over the years it has dropped dramatically.”

ASAS 2023

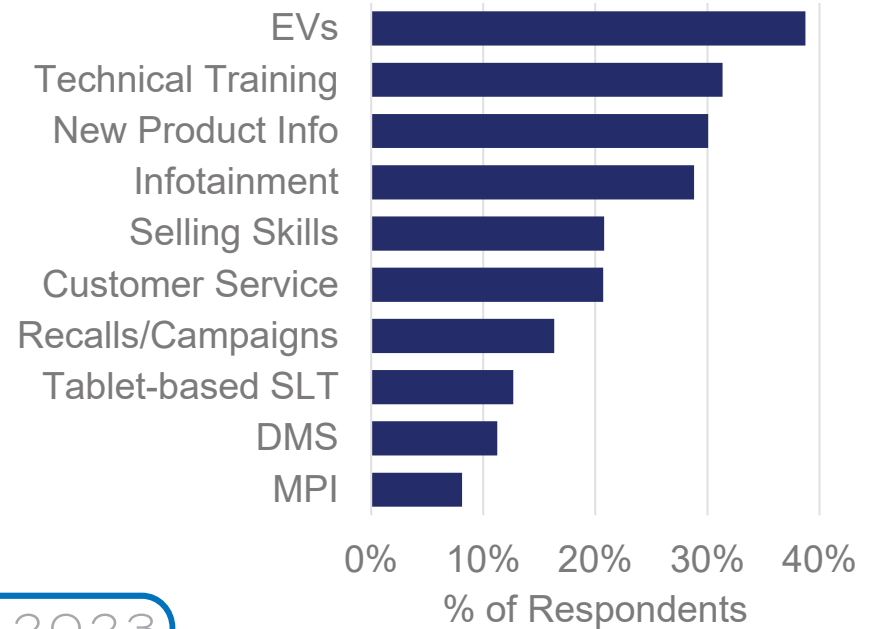
Advisors need more support at the start of the career and as the industry evolves



“When I [started], I had little to no training and **learned everything through trial and error.**”

“**Poor training about the brand** we are supposed to help service. We used to have a **lot more interaction with new vehicles**,...so we could answer customer questions.”

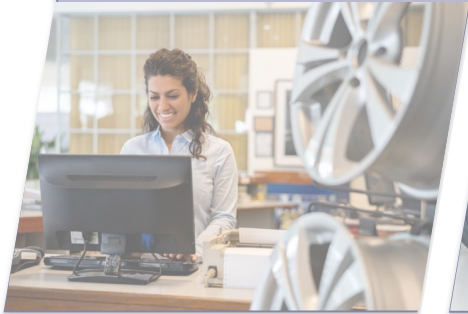
Most Requested Training Topics



ASAS 2023

What can you do about it?

What's happening?



Why do Service Advisors leave?



What can you do about it?



What are OEMs doing to help?



The most obvious path would be to increase pay



However, addressing compensation helps but isn't enough

Tactical Recommendations to Consider

Base salary/hourly pay

- ✓ Reduce variability outside advisors' control
- ✓ Stay competitive against similar jobs


Incentives

- ✓ Offer rewards for good performance and remaining in the position
- ✓ Drive good behavior and an engaging dealership culture through competition


CSI and Commission

- ✓ Reduce impacts of factors outside advisors' control in determining this category


Relieving Advisors of tasks outside of their primary duties can increase their satisfaction



Answer general calls to the service center




Greet the customer




Check the customer in




Conduct formal walkaround



Drive the vehicle to the bay



Bring customer to waiting room



Coordinate transportation (if applicable)



Work with technician



Coordinate with parts department




Update customer on service progress/answer questions




Upsell to the customer



Leverage dealer technology



Drive vehicle to parking lot



Coordinate payment from customer



Provide closing explanation of work conducted

Bolded: Essential part of SA's role

Hiring necessary staff (porters, cashiers, etc.) is a tool to reduce Service Advisors' workloads



Tactical Recommendations to Consider

- Clearly define the responsibilities of Service Advisors that correspond to superior customer service
- Ensure that positions covering remaining responsibilities also take priority in retention efforts
- Offer specific roadmaps for other staff to progress into the Advisor role



Advisors look for training programs that include on-boarding *and* continuous learning



Tactical Recommendations to Consider

Onboard Training

- ✓ Aim at getting new hires to full potential quickly
- ✓ Use existing staff as mentors until new hires are ready

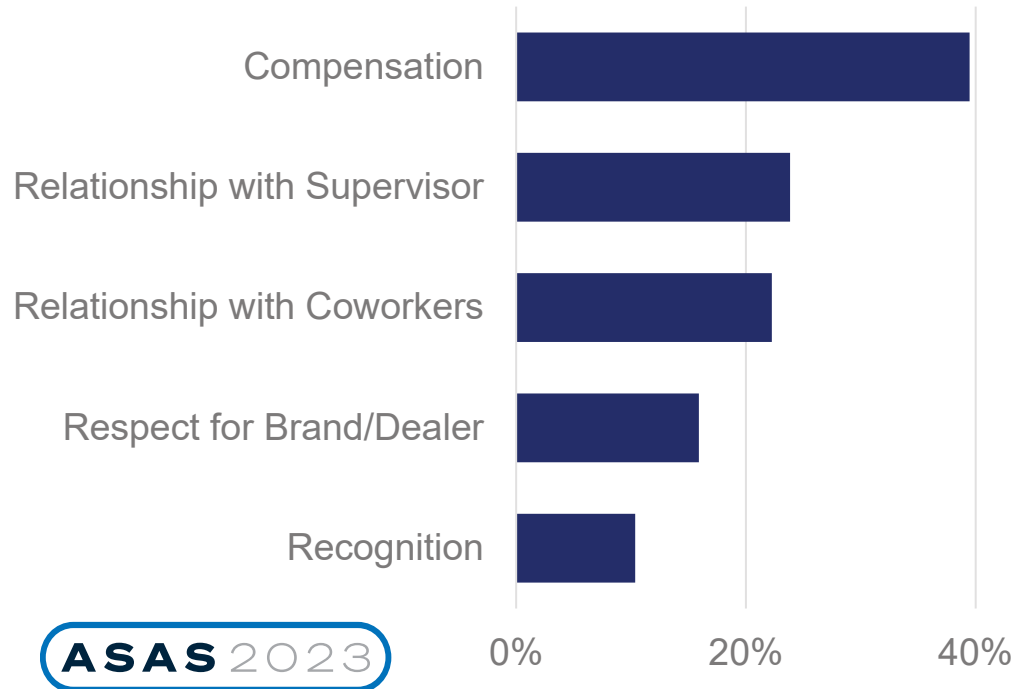
Continuous Learning

- ✓ Focus on customer service and the brand's new offerings
- ✓ Recognize Advisors' successes along with areas for growth



Link training milestones to job levels & responsibilities to help with career development

At the end of the day, pay is important, yet Service Advisors also stay when they enjoy their job



Tactical Recommendations to Help Make the Job More Enjoyable for Service Advisors

Supervisors

- ✓ Collect Advisors' concerns and challenges regularly and more frequently

Co-workers

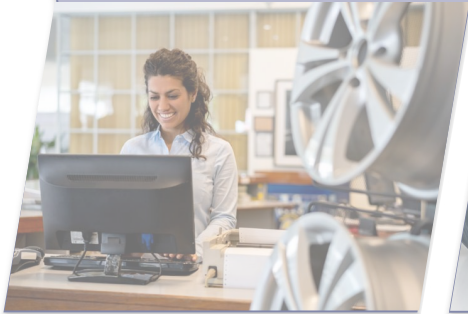
- ✓ Build dealership community through cross-department meetings and social events

Brands

- ✓ Recognize individuals' commitment to the brand
- ✓ More than just the dealer's efforts (see next section)

What are OEMs doing to help?

What's happening?



Why do Service Advisors leave?



What can you do about it?



What are OEMs doing to help?



Again, Service Advisors represent the brand to customers in currently difficult times

Service Advisors face customers with:

- Complaints about part shortages and service delays
- Complex services due to new technology (i.e. EVs and software)
- New expectations on pricing and quality of services



OEMs have begun to recognize their role in retaining strong Service Advisors...

So, what are OEMs doing to support Service Advisors during this time of change?



- Creating new brand-level incentives, recognition programs, and training materials
- Forming collaborations with other OEMs to address the growing turnover problem
- Learning how to better support their dealerships
 - Continue working with your OEMs to better understand how they can best help you

Questions?

#NADASHOW



#NADASHOW

2024 **NADASHOW**

*Driving
the Future*

What To Do About Service Advisor Turnover?



Gabi Salomon

Manager | Ducker Carlisle | Boston, MA

+1. 203.249.1014 | gsalomon@duckercarlise.com