

Road to Retention

E.L.R. Menu Pricing Review

Marketing

Merchandising

Measuring

2-1

Effective Labor Rate Review.
DealerMenus Modifications
& Pricing Adjustments

OVERVIEW

Your Dynatron representative will help you analyze your menu pricing and effective labor rates using two different methods and tools. Spending time on both of these could provide significant ongoing improvements in your profits. The ultimate goal of this review is to determine if your pricing for menus should change based on desired effective labor rates and current pricing for the bundled services performed.

1) DealerMenus Pricing by Service

When implementing your online DealerMenus solution many dealerships start with duplicating existing paper menus into the online format. This is because the biggest obstacle in implementing an online menu system is getting Advisors to use the new system for customer presentations. If menus do not exist your Dynatron representative works with you to create menus. In most cases these are priced by menu and not by building the price for each service. Additionally the start up usually only includes the basic menu versus every possible combination necessary based on manufacturers requirements.

DealerMenus is capable of creating extremely detailed menus based on factory recommendations. However, this creates numerous menu variations which must then be priced. Because pricing in dealerships requires significant effort to complete, usually dealerships elect to go with a simpler menu versus the more detailed variations. In both of these cases dealerships use existing pricing or price just the basic menu versus pricing by each service actually performed.

This review takes a step back now that you have online menus in production and are seeing the value of such a system and offers the dealership the opportunity to review each service to input various pricing assumptions using desired effective labor rates. Once this is completed, the calculated prices can then be compared to the actual pricing used in DealerMenus and adjusted as necessary. The dealership may also find that additional menus are necessary due to additional services being performed. In most cases these services were not priced correctly costing the dealership sales and profits.

2) Review actual ELR for Menus by Model and Mileage.


A couple months after implementing DealerMenus your Dynatron representative will review the EBIS Report "DealerMenus ELR Review by Model". The start date will be changed to the implementation date. The report shows the effective labor rate by model for all menu op codes. Drill into the report by mileage group or op code to view more details on which mileage interval is dragging down the effective labor rate. Adjust the price or flag time to increase the effective labor rate.

BENEFITS

- Improves profits by:
 - ⇒ Allows you to review pricing for each maintenance service performed and that services actual E.L.R.
 - ⇒ Insures that you are charging for all services performed
 - ⇒ Allows you to compare a rolled up price based on individual pricing for each service versus your bundled or packaged menu price. In many cases you will increase your menu price and therefore improve profits

IMPLEMENTATION KEYS

- A Dynatron representative will print and email all reports
- The EBIS ELR report will be created and emailed to the dealership by your Dynatron representative. This report will be reviewed with the dealership. The Dealership user should be trained on these EBIS features:
 - ⇒ Loading and printing reports & graphs
 - ⇒ Common drill downs
 - ⇒ Changing date ranges


**One Solution for
Customer Retention
and Profitability**
ROAD TO RETENTION
Marketing
 Customer Relationship Management
 Personalized Communications
 Promotions to Capture Lost Opportunities
Merchandising
 Online Menus
 Appointments
 RO History
Measuring
 Analyze Your Numbers
 Prove Your Profits
 Built in Accountability

E.L.R. Menu Pricing Review

Corvette 6.0L	ELR	\$50.00	0.00%	10.50%													
Mileage:	OpCode	ELR	FRH	Total Labor	Parts	Total P&L	Sales Tax	SS / HW	Total Price	5000	10000	15000	30000	50000	60000	90000	
Change engine oil & filter 6 qts. Synthetic	\$45.00	0.3	\$13.50	\$48.75	\$62.25	\$0.00	\$1.42	\$65.67	\$63.67	\$63.67	\$63.67	\$63.67	\$63.67	\$63.67	\$63.67	\$63.67	
Check & fill fluid levels	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Adjust tire inflation & inspect for wear	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Inspect ball joints and dust covers	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Inspect drive shaft boots	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Inspect air filter	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Replace engine air filter	\$80.00	0.0	\$0.00	\$21.95	\$21.95	\$0.00	\$0.00	\$21.95	\$21.95	\$21.95	\$21.95	\$21.95	\$21.95	\$21.95	\$21.95	\$21.95	
Inspect suspension and steering system	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Inspect cooling system	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Tire rotation (if applicable)	\$80.00	0.4	\$16.25	\$0.00	\$16.25	\$0.00	\$1.71	\$17.96	\$17.96	\$17.96	\$17.96	\$17.96	\$17.96	\$17.96	\$17.96	\$17.96	
Inspect fuel, vapor lines & hoses, fuel filler cap	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Fuel Induction Service	\$80.00	1.0	\$80.00	\$51.45	\$131.45	\$0.00	\$9.40	\$139.85	\$139.85	\$139.85	\$139.85	\$139.85	\$139.85	\$139.85	\$139.85	\$139.85	
Differential Service	\$80.00	0.5	\$40.00	\$45.15	\$85.15	\$0.00	\$4.20	\$89.35	\$89.35	\$89.35	\$89.35	\$89.35	\$89.35	\$89.35	\$89.35	\$89.35	
Inspect front and rear brakes, parking brake system	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Battery Service	\$80.00	0.3	\$24.00	\$9.95	\$33.95	\$0.00	\$2.52	\$36.47	\$36.47	\$36.47	\$36.47	\$36.47	\$36.47	\$36.47	\$36.47	\$36.47	
Replace PCV filter	\$80.00	0.1	\$8.00	\$9.95	\$17.95	\$0.00	\$0.84	\$18.79	\$18.79	\$18.79	\$18.79	\$18.79	\$18.79	\$18.79	\$18.79	\$18.79	
Lubricate chassis components	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Replace fuel filter	\$80.00	0.4	\$32.00	\$31.58	\$63.58	\$0.00	\$7.36	\$66.91	\$66.91	\$66.91	\$66.91	\$66.91	\$66.91	\$66.91	\$66.91	\$66.91	
Complete Transmission Fluid Exchange	\$85.00	0.8	\$68.00	\$63.76	\$131.76	\$0.00	\$7.14	\$138.90	\$138.90	\$138.90	\$138.90	\$138.90	\$138.90	\$138.90	\$138.90	\$138.90	
Brake Fluid Exchange	\$80.00	1.0	\$80.00	\$20.60	\$100.60	\$0.00	\$8.40	\$109.00	\$109.00	\$109.00	\$109.00	\$109.00	\$109.00	\$109.00	\$109.00	\$109.00	
Power Steering Fluid Exchange	\$80.00	0.6	\$48.00	\$36.33	\$84.33	\$0.00	\$5.04	\$89.37	\$89.37	\$89.37	\$89.37	\$89.37	\$89.37	\$89.37	\$89.37	\$89.37	
Replace spark plugs and inspect plug wires	\$80.00	1.1	\$88.00	\$80.00	\$168.00	\$0.00	\$9.24	\$177.24	\$177.24	\$177.24	\$177.24	\$177.24	\$177.24	\$177.24	\$177.24	\$177.24	
Inspect condition of wiper blades	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Deposit control (oil)	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Deposit Control (fuel)	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Inspect restraint system components	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Check the exhaust system & heat shields	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Inspect drive belt condition & wear	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
27 Point Inspection	\$80.00	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Dealer Price:									\$81.62	\$81.62	\$279.89	\$454.94	\$220.52	\$653.31	\$632.18	\$632.18	
Total Labor									\$29.75	\$29.75	\$133.75	\$213.75	\$97.75	\$341.75	\$301.75	\$301.75	
Total Hours									0.70	0.70	2.00	3.00	1.50	4.60	4.10	4.10	
E.L.R.									\$12.50	\$12.50	\$66.88	\$71.25	\$65.17	\$71.25	\$71.25	\$71.25	

STEP 1: For each existing menu complete the pricing worksheet by pricing each service using desired effective labor rates or actual prices that each of these services are sold for separately at your dealership. Your Dynatron representative will provide the worksheet for you and assist with its completion.

The worksheet will show the labor sales, hours and effective labor rate for each mileage interval for your menu based on the desired or actual prices you entered

A Dynatron representative will enter the total price into DealerMenus Edit Menu Items screen.

Menu Pricing: DR_Corvette_6.0L									
Mileage:	5000*	25000*	10000*	15000*	30000	50000*	60000*	90000	
	35000*	55000*	40000*	45000*		100000*	120000*		
	65000*	80000*	70000*	75000*					
	85000*	80000*	105000*						
	95000*	110000*							
Change engine oil & filter 6 qt. Synthetic (Cost:0.00)	63.67	63.67	63.67	63.67	63.67	63.67	63.67	63.67	
Check & fill fluid levels (Cost:0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Adjust tire inflation & inspect for wear (Cost:0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Inspect ball joints and dust covers (Cost:0.00)									
Inspect drive shaft boots (Cost:0.00)									
Inspect air filter (Cost:0.00)	0.00	0.00				0.00			
Replace engine air filter (Cost:0.00)			23.27	23.27			23.27	23.27	
Inspect suspension and steering system (Cost:0.00)			0.00	0.00			0.00	0.00	
Inspect cooling system (Cost:0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Rotate tires if applicable (Cost:0.00)	17.96	17.96	17.96	17.96	17.96	17.96	17.96	17.96	
Inspect fuel, vapor lines & hoses, fuel filler cap (Cost:0.00)					0.00		0.00	0.00	
Fuel Induction Service (Cost:0.00)			139.85	139.85			139.85	139.85	
Differential Service (Corvette) (Cost:0.00)				89.35			89.35	89.35	
Inspect front and rear brakes, parking brake system (Cost:0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Battery Service (Cost:0.00)			38.89	38.89			38.89	38.89	
Replace PCV filter (Cost:0.00)				19.92			19.92	19.92	
Lubricate chassis components (Cost:0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Replace Fuel Filter (Cost:0.00)				66.91			66.91	66.91	
Complete Transmission Fluid Exchange (Cost:0.00)						143.40			
Brake Fluid Exchange (Cost:0.00)							109.00		
Power Steering Fluid Exchange (Cost:0.00)							89.37		
Replace spark plugs and inspect plug wires V8 (Cost:0.00)									177.24
Inspect condition of wiper blades (Cost:0.00)			0.00		0.00	0.00	0.00	0.00	0.00
Total Deposit Control (Fuel & Oil) (Cost:0.00)			14.95			14.95			
Inspect restraint system components (Cost:0.00)					0.00		0.00	0.00	
Check the exhaust system & heat shields (Cost:0.00)					0.00		0.00	0.00	
Inspect drive belt condition & wear (Cost:0.00)					0.00		0.00	0.00	
27 Point Inspection (Cost:0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Dealer Cost:	0	0	0	0	0	0	0	0	
Total Dealer Price:	81.63	96.58	283.64	459.82	239.98	658.19	637.06		
Package Price FactMin:									

STEP 2: From the DealerMenus Price Menus screen you can review each menu and compare the pricing by service versus the pricing used to display on the menu. If you did not enter prices for each service you will only see prices in the boxes. In the example below the dealership priced their menus by individual service in the beginning. You can see the prices from the worksheet above are the same as the automated price table in DealerMenus.

STEP 3: Analyze significant differences to determine if you should change your menu price. If you originally priced the total menu and not by individual services compare both numbers. If you are priced too low you may want to consider a price increase which will then adjust your effective labor rate to the desired rate on your pricing worksheet. To Change your menu price simply change the price in the box below the Total Dealer Price row.

DealerMenus Model ELR Review

A couple months after implementing DealerMenus your Dynatron representative will review the EBIS Report "DealerMenus ELR Review by Model". The start date should be changed to the implementation date. The report shows the effective labor rate by model for all menu op codes. The example below shows 35 Altima Sedan menus average an effective labor rate of \$50.07 while the 61 Altima sedan average \$90.10. Drill into the report by mileage group or op code to view more details on which mileage interval is dragging down the effective labor rate. Adjust the price or flag time to increase the effective labor rate.

DealerMenus Model ELR Review										
From 7/1/2008 To 9/24/2008										
Customer Pay : Menu Sales : Pts & Lbr Rev Not Zero : Service Only										
Model	# ROs	Hours	Hrs/RO	Eff Lbr Rate	Lbr Rev	Lbr \$/RO	Pts Rev	Pts \$/RO	Lbr GP%	Pts GP%
350Z	3	5.80	1.93	96.12	558	185.83	199	66.18	74.2	40.7
626	2	5.00	2.50	79.10	395	197.75	84	41.99	69.5	34.1
A4	7	10.25	1.46	89.54	918	131.11	335	47.90	75.8	38.2
A6	4	3.50	.88	64.24	225	56.21	63	15.71	69.7	40.0
A8	1	1.00	1.00	49.95	50	49.95	18	18.00	48.1	40.0
ACCORD	4	4.80	1.20	88.94	427	106.73	374	93.51	84.4	33.6
ALTIMA	61	121.20	1.99	90.10	10,921	179.03	4,741	77.72	74.1	41.3
ALTIMA COUPE	10	12.30	1.23	78.97	971	97.14	418	41.77	74.8	45.0
Altima Sedan	35	20.90	.60	50.07	1,046	29.90	436	12.46	66.6	39.3
ARMADA	11	20.00	1.82	86.10	1,723	156.95	312	28.63	73.1	40.7
AVALANCHE	1	2.00	2.00	85.00	170	169.99	236	235.66	71.6	43.4
B-Series Truck	1	1.50	1.50	70.85	106	106.28	22	22.06	81.0	36.2
CIVIC	1	.80	.80	49.94	40	39.95	40	40.00	60.3	40.5
CR-V	2	2.00	1.00	86.73	173	86.73	137	68.73	86.5	49.6
CX-7	1	.80	.80	43.69	35	34.95	5	5.06	44.7	21.5
CX-9	4	2.80	.70	89.95	2					