

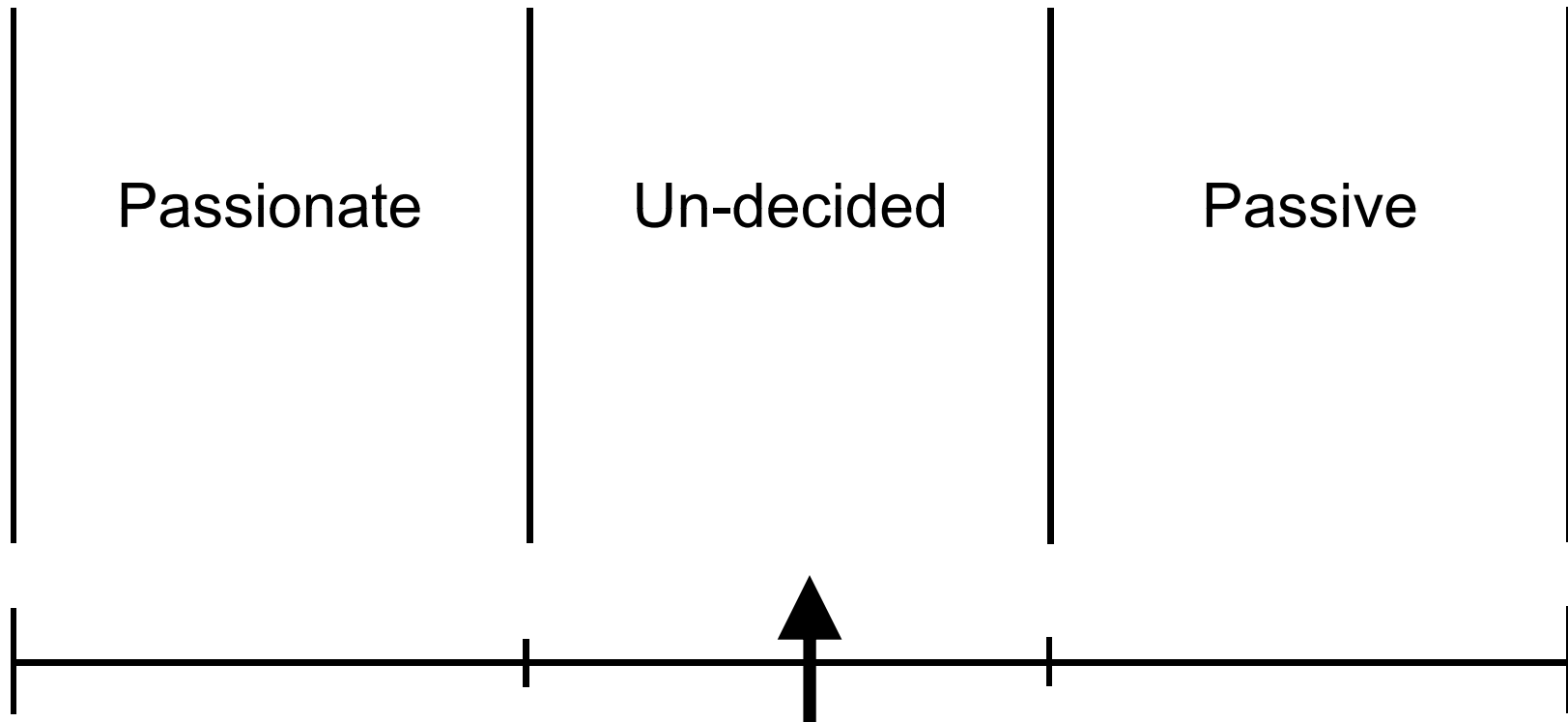
# Operational Planning



John R. Watt - Petro-Canada Certigard

# Measure Your Operational Planning Passion

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Where do you stand on this scale?

# Operational Planning: Stop hoping ...ORGANIZE!!!

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- You have 3 Techs
- Your door rate is \$90 per hour
- Each Tech can do \$1,620 (parts and labour) per day

Note: 3 Techs x \$1,620  $\approx$  **\$4,900** per day

## Pick an outcome

A – 10 Vehicles x \$490 each = \$4,900

or

B – 17 vehicles x \$290 each =

## WHY?

If tomorrow, 17 vehicles show up... What will you do?



# Why Plan?

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- To provide direction to achieve an outcome
- To anticipate actions to achieve an outcome
- To ensure the best results
- To communicate to those involved in the outcome
- To provide a gauge of progress
- To define the vision of the owner (of the plan)

# Operational planning

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Plan for the components of an outcome

NOT

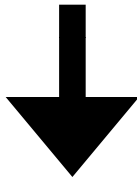
the outcome itself

# The Components of Automotive Repair Sales

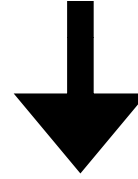
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Monthly sales = Number of vehicles x Sales per vehicle

Monthly sales = Sales capacity of a Tech x Number of Techs



**Outcome**



**Components**

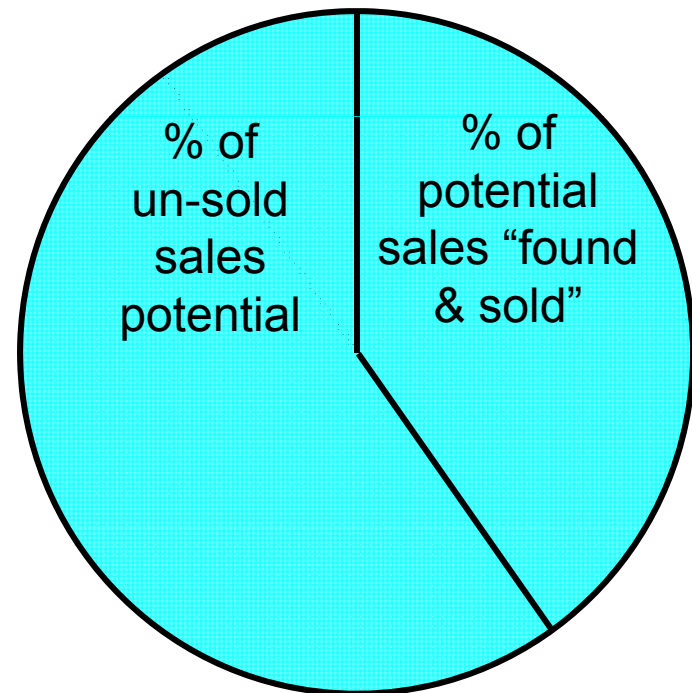
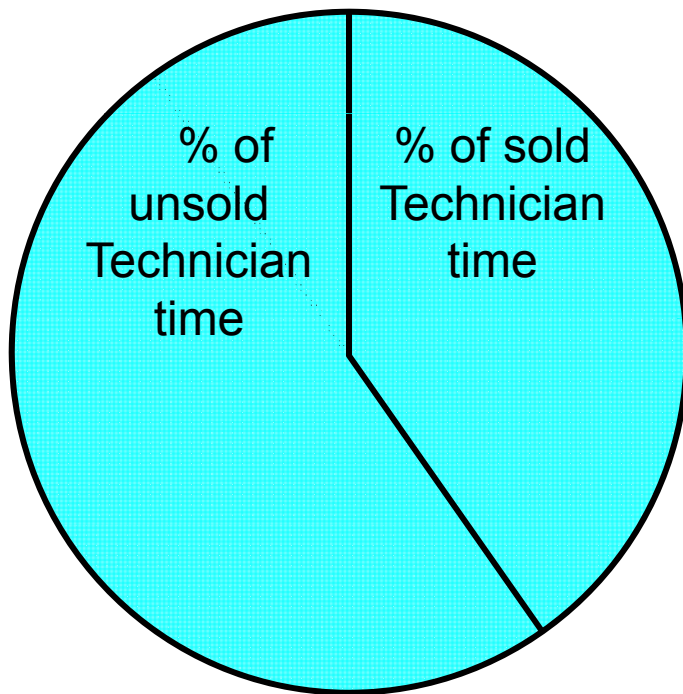
Note: Applicable to one day, one week, one month, one year

# Effective Operational Planning Requires

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## VISION

On these two components



The above intentions AND the intensity you intend to invest in achieving them will define your actions... or lack of action

# Monthly Tech Sales Capacity... (Supply)

## Guide for the Owner/Operator

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# of Techs	Hourly Door Rate										
	\$50	\$55	\$60	\$65	\$70	\$75	\$80	\$85	\$90	\$95	\$100
1.0	\$19,350	\$21,285	\$23,220	\$25,155	\$27,090	\$29,025	\$30,960	\$32,895	\$34,830	\$36,765	\$38,700
1.5	\$29,025	\$31,928	\$34,830	\$37,732	\$40,635	\$43,538	\$46,440	\$49,343	\$52,245	\$55,148	\$58,050
2.0	\$38,700	\$42,570	\$46,440	\$50,310	\$54,180	\$58,050	\$61,920	\$65,790	\$69,660	\$73,530	\$77,400
2.5	\$48,375	\$53,213	\$58,050	\$62,888	\$67,725	\$72,563	\$77,400	\$82,238	\$87,075	\$91,913	\$96,750
3.0	\$58,050	\$63,855	\$69,660	\$75,465	\$81,270	\$87,075	\$92,880	\$98,685	\$104,490	\$110,295	\$110,295
3.5	\$67,725	\$74,498	\$81,270	\$88,043	\$94,815	\$101,578	\$108,360	\$115,133	\$121,905	\$128,678	\$135,450
4.0	\$77,400	\$85,140	\$92,880	\$100,620	\$108,360	\$116,100	\$123,840	\$131,580	\$139,320	\$147,060	\$154,800
4.5	\$87,075	\$95,783	\$104,490	\$113,198	\$121,905	\$130,613	\$139,320	\$148,028	\$156,735	\$165,443	\$174,150
5.0	\$96,750	\$106,425	\$116,100	\$125,775	\$135,450	\$145,125	\$154,800	\$164,475	\$174,150	\$183,825	\$193,500
5.5	\$106,425	\$117,068	\$127,710	\$138,353	\$148,995	\$159,638	\$170,280	\$180,923	\$191,565	\$202,207	\$212,850
6.0	\$116,100	\$127,710	\$139,320	\$150,930	\$162,540	\$174,150	\$185,760	\$197,370	\$208,980	\$220,590	\$232,200
6.5	\$125,775	\$138,353	\$150,930	\$163,508	\$176,085	\$188,663	\$201,240	\$213,818	\$226,395	\$238,973	\$251,550

# Monthly Sales Potential... (Demand)

## Guide for the Owner/Operator

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# of transactions per month		Hourly Door Rate									
		\$50	\$55	\$60	\$65	\$70	\$75	\$80	\$85	\$90	\$95
50	\$12,500	\$13,750	\$15,000	\$16,250	\$17,500	\$18,750	\$20,000	\$21,250	\$22,500	\$23,750	\$25,000
75	\$18,750	\$20,625	\$22,500	\$24,375	\$26,250	\$28,125	\$30,000	\$31,875	\$33,750	\$35,625	\$37,500
100	\$25,000	\$27,500	\$30,000	\$32,500	\$35,000	\$37,500	\$40,000	\$42,500	\$45,000	\$47,500	\$50,000
125	\$31,250	\$34,375	\$37,500	\$40,625	\$43,750	\$46,875	\$50,000	\$53,125	\$56,250	\$59,375	\$62,500
150	\$37,500	\$41,250	\$45,000	\$48,750	\$52,500	\$56,250	\$60,000	\$63,750	\$67,500	\$71,250	\$75,000
175	\$43,750	\$48,125	\$52,500	\$56,875	\$61,250	\$65,625	\$70,000	\$74,375	\$78,750	\$83,125	\$87,500
200	\$50,000	\$55,000	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000
225	\$56,250	\$61,875	\$67,500	\$73,125	\$78,750	\$84,375	\$90,000	\$95,625	\$101,250	\$106,875	\$112,500
250	\$62,500	\$68,750	\$75,000	\$81,250	\$87,500	\$93,750	\$100,000	\$106,250	\$112,500	\$118,750	\$125,000
275	\$68,750	\$75,625	\$82,500	\$89,375	\$96,250	\$103,125	\$110,000	\$116,875	\$123,750	\$130,625	\$137,500
300	\$75,000	\$82,500	\$90,000	\$97,500	\$105,000	\$112,500	\$120,000	\$127,500	\$135,000	\$142,500	\$150,000
325	\$81,250	\$89,375	\$97,500	\$105,625	\$113,750	\$121,875	\$130,000	\$138,125	\$146,250	\$154,375	\$162,500

# Monthly Part Potential Guide for the Jobber

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Number of Transactions	Parts Purchasing Potential
50	\$3,750
100	\$7,500
150	\$11,250
200	\$15,000
250	\$18,750
300	\$22,500
350	\$26,250
400	\$30,000

Number of Techs per day	Parts Purchasing Potential
1.0	\$5,800
1.5	\$8,700
2.0	\$11,600
2.5	\$14,500
3.0	\$17,400
3.5	\$20,300
4.0	\$23,200
4.5	\$26,100

# Planning for May & June, 2009

May 2009

June 2009

Expected # of Transactions		Expected # of Transactions	
_____	\$ _____	_____	\$ _____
Expected # of Techs per day		Expected # of Techs per day	
_____	\$ _____	_____	\$ _____

\*\*Circle the lower amount in each month

# Reacting to the Plan

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Yea but.....

- I've never done this amount of sales before... **It's impossible!!!**
  - ↳ *It will be impossible if nothing changes... Your reaction should be... What do I have to change?*
- My guys won't go for this... **It's too much to ask!**
  - ↳ *What is too much to ask? That they work 90% of their time? They hate standing around.*
- People **won't buy this much!**
  - ↳ *Individually, people will buy what makes sense. IF YOU DO NOT PROPOSE IT... THEN THEY WILL NOT BUY IT.*
- I don't have time to **organize this...**
  - ↳ *A \$20,000 increase in sales in a month will put \$10,000 NET in your pocket... you can not find a better use for your time.*

# Summary

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