



Service Management Special Report

EXECUTIVE SUMMARY

Featuring data regarding dealership shops, including:

- » Dealership demographics
- » Service Department pain points
- » And Key Performance Indicators (KPIs)



MRAA is the Marine Retailers Association of the Americas, a membership organization representing more than 3,500 individual rooftop locations. Our members manage the leading dealerships, marinas, service organizations and other marine retail locations across North America and provide the direct link between today’s boaters and the on-water experience they seek.

Powered by a professional, passionate team, MRAA is the premier source of learning, knowledge and future-oriented research for the dealership management profession, and provides tools, resources, education, ideas and advocacy to enhance the power and performance of the marine industry.

Our “Why”

At the Marine Retailers Association of the Americas, we believe that the success of the marine industry begins and ends with the success of our dealers – the retail organizations that deliver sales and ownership experiences to today’s boaters. These organizations must deliver on the promise of the boating lifestyle every single day with every single interaction. Their success drives the success of our entire industry.

As the leading training and education organization for the marine dealer body, MRAA fuels the success of the boating industry by delivering dealerships implementable tools, resources and educational programs they can use to strengthen their organizations and find the success they desire. Stronger dealers lead to stronger manufactures and suppliers, which lead to a stronger industry. And in the midst of it all, MRAA promotes and protects that success by serving as the voice of those dealers, continuously working to ensure a business environment that is conducive to boat sales and retail operations.

Our Value Proposition

The MRAA, which is run by boat dealers for boat dealers, produces world-class educational programs and resources, and as a non-profit trade association, reinvests its success back into the boating industry.

Our Guarantee

We guarantee our promise to deliver implementable ideas, insight and inspiration that lead to greater levels of success. We will not be happy until you are. If any MRAA programs, products, or services do not fulfill our promise, we will make the situation right or refund your money.

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* See full report

** See full report for full data

Introduction

As a marine dealership professional operating in a fast-changing market, you need tools and information to confidently solve your biggest problems, make the best decisions, and drive your success. That's why the MRAA has made a commitment to increase our collection of and use of data to support you, our members, and the marine industry. The insight gained through analysis of this research and data can help you improve your processes, attract and serve your customers better, and strengthen your team.

As you and your dealership peers throughout North America experience disruptive changes and challenges – whether they are the high interest rates, increased inventories, decreased customer urgency and election year uncertainty being felt for some today or new ones we can't yet see on the horizon – the service department can be a stabilizing force. As a result, the MRAA is expanding the tools, resources and education it offers to support service departments, including the data it provides. That's the thinking behind MRAA's recent launch of this service department survey to dealerships across the United States and Canada.

The following is a brief executive summary of what that survey revealed. This is a look into the survey details as well as the data of important questions from the survey, including the demographics, pain points, and three key performance indicators. The full report and analysis are available in the Service Management Special Report. In addition to expanded data from the survey, this Special Report provides insights gleaned from the data analysis along with support and resource links to use for your dealership success.

Section 1: Survey Data and Details

Survey Details

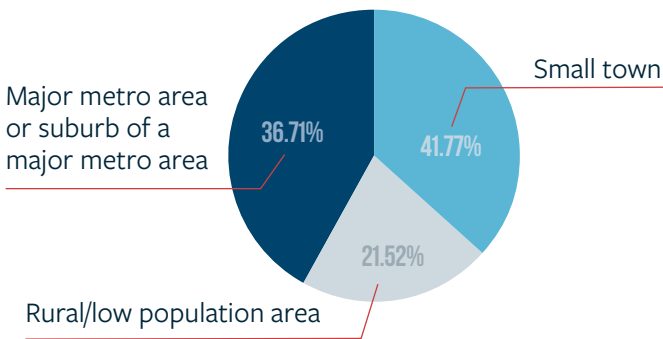
The Service Management Survey was crafted in Survey Monkey. In Fall 2023, MRAA invited those in its database with a dealership service management related title to take it, and asked those who held a leadership position in the dealership to forward it on to the appropriate service leader who could answer the questions. In all, 158 respondents completed the survey. All responses were anonymous.

The survey contained 26 questions. These questions focused on the following:

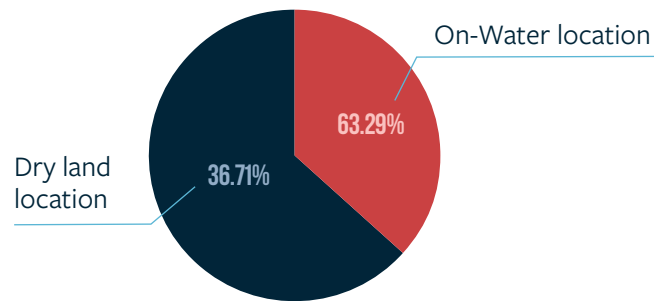
- » Service department demographics (service department location and employee details)
- » Employee resources offered (job descriptions, organizational charts, and onboarding process)
- » Pain points involving the service process and the service department as a whole
- » Service metrics such as gross profit margin, proficiency, and efficiency

Dealership Location Demographics

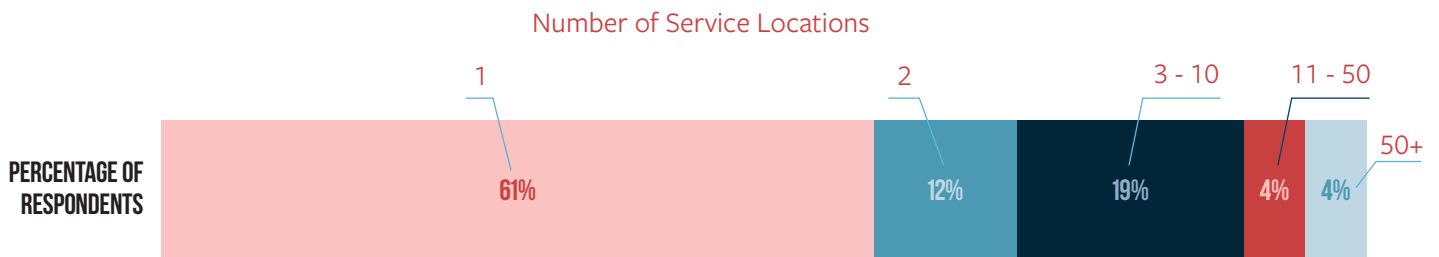
In What Kind of Area is Your Location?



Is Your Service Department an On-Water or Dry Land location?

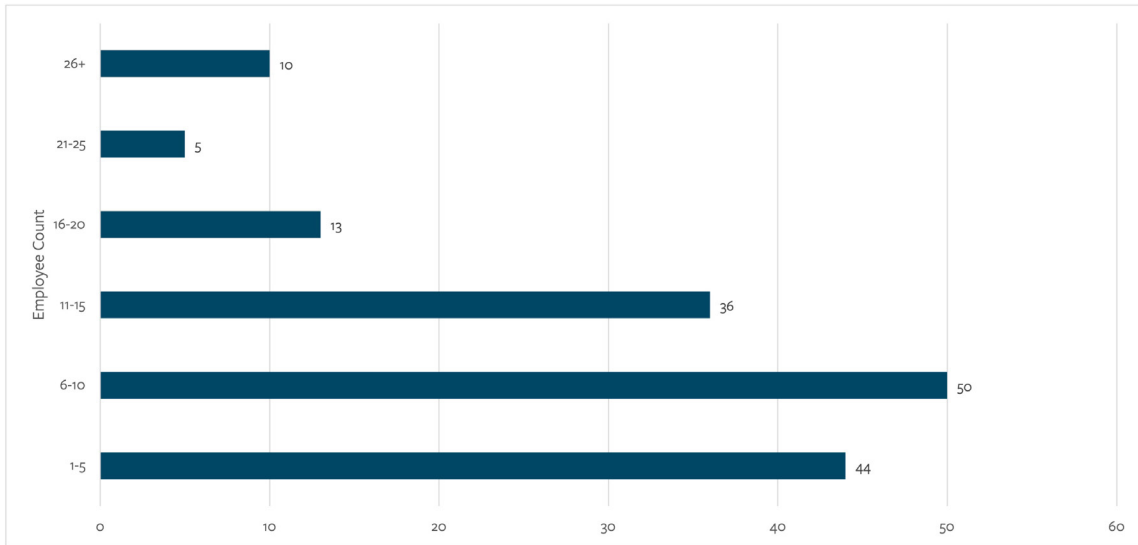


How Many Total Service Locations Does Your Company Operate?

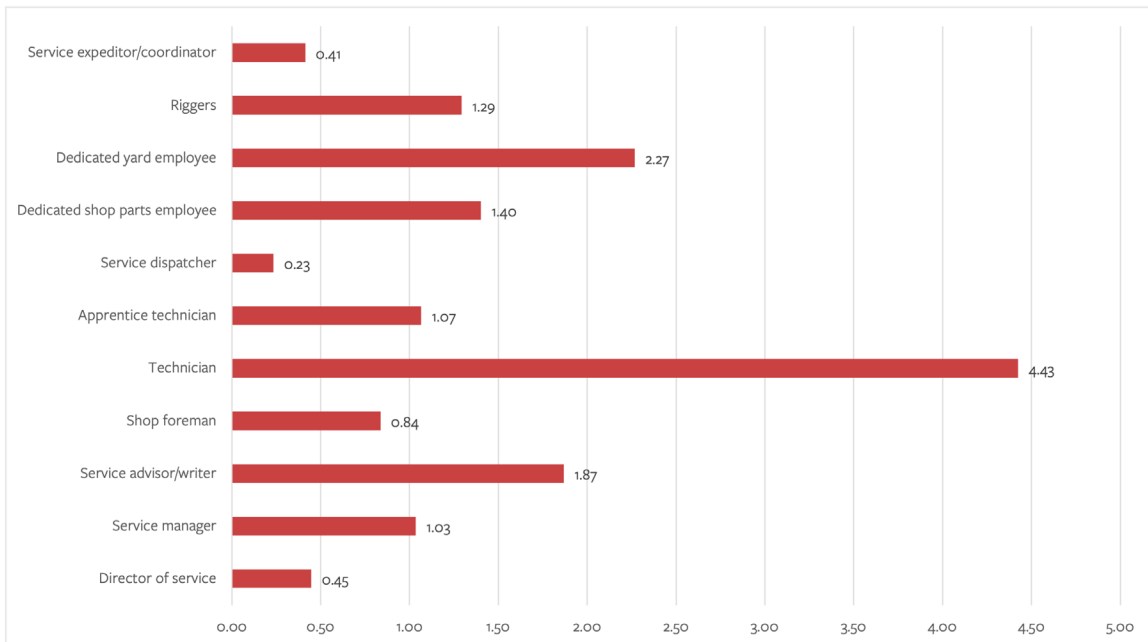


Respondent Employee Demographics

How many total service department employees do you have at your location?



How many of the following does your service department have?



Top “Other” Answers

Detailers	2.38
Dedicated Warranty Personnel	1.11
Drivers	1.80

The Typical Respondent

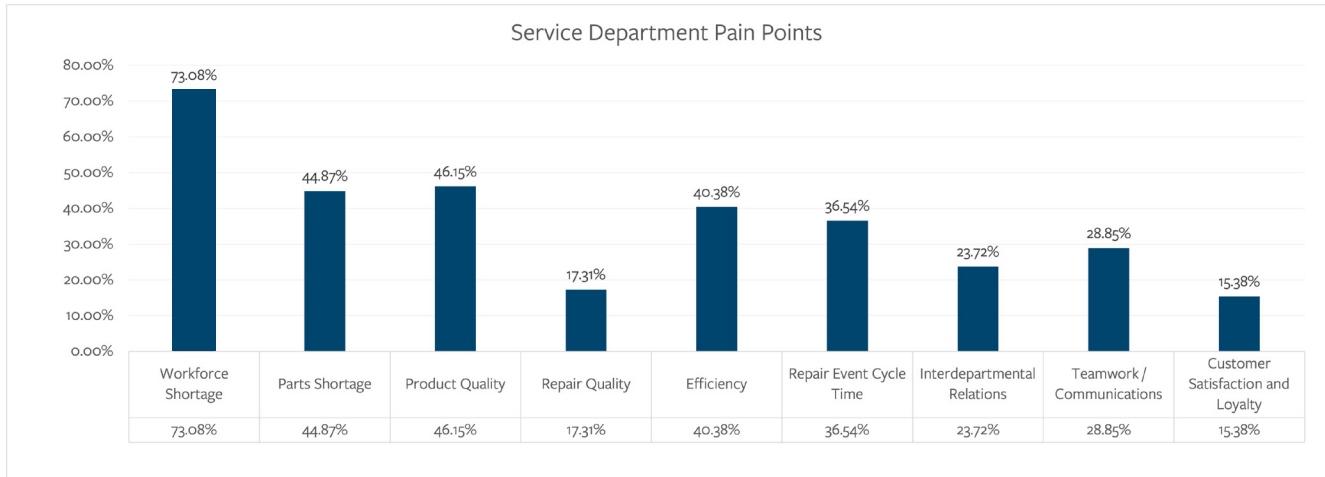
Those who participated in the Service Management Survey were from a diverse array of dealerships. The slim majority of service departments represented were from areas they defined as a major metro area or suburb of a major metro area with small town locations at a close second. Two-thirds of participants were from a service department they defined as dry land. Additionally, 61 percent come from single service locations, while 12 percent come from companies with two service locations. The rest fall in 3 or higher service locations. The majority (60%) of participants came from service locations with between 1 and 10 employees, but the average puts it around 12 to 13 employees. Typically, dealerships are employing approximately:

- » 4 technicians
- » 2 yard employees
- » 2 service advisors
- » 1 service manager
- » 1 rigger
- » 1 dedicated parts employee

Service dispatchers are the least hired position at under a quarter of a percent average.

Service Department Pain Points

Which of the following are pain points for your service department right now?
 (Check all that apply.)



THE KEY TO IMPROVING YOUR BUSINESS IS EDUCATION

The MRAA is proud to partner with these
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Key Performance Indicators

Definitions:

- » **10th percentile:** Marks where 10 percent of the reported values are lower than the figure given and 90 percent are higher.
- » **50th percentile (Median):** The midpoint in a range of values. This is where 50 percent are higher than the figure given and 50 percent are lower.
- » **90th percentile:** Marks where 90 percent of the reported values are lower than the figure given and 10 percent are higher.
- » **Average (Mean):** The number expressing the central or typical value in a set of data, which is calculated by dividing the sum of the values in the set by their number.

What was your average annual service department efficiency in 2022?

Service Department Efficiency

	Percentiles			
Total Responses:	10th	50th	90th	Average:
99	48.4%	75%	101.4%	76.7%

What was your average service department efficiency during peak season in 2022?

(Efficiency can be calculated by dividing the number of hours for which your service department billed customers for repairs divided by the amount of time your technicians spent working on those repairs.)

Service Department Efficiency (Peak Season)

	Percentiles			
Total Responses:	10th	50th	90th	Average:
98	50%	84.5%	122.3%	85.3%

What was your 2022 service department proficiency?

(Proficiency can be calculated by dividing the number of billed hours by the number of total hours your technicians were paid to work during a specific period of time.)

Service Department Proficiency

	Percentiles			
<u>Total Responses:</u>	10th	50th	90th	<u>Average:</u>
51	43%	75%	93%	71.9%

Conclusion

The MRAA's goal as we collect, analyze, and disseminate more data is to give you insight you can apply to improve and grow your business. The data shared in this Service Management Special Report Executive Summary is just the beginning of what we can offer to help you boost the performance of your service department. The complete Service Management Special Report provides more data and actionable takeaways, including:

- » Additional pain points related to the service process
- » Key conclusions from the data analysis
- » Insight into the workforce shortage
- » Suggestions for increasing service efficiency
- » Some specific benefits of employing a dedicated parts person in service
- » The positive outcomes that can come from team and Individual incentive pay plans
- » Opportunities to improve Repair Event Cycle Times
- » A look at some advantage of using job descriptions
- » Specific Key Performance Indicators your dealership should consider measuring
- » The relationship between a process map and success in service departments
- » And directions to a web portal with support and resources on these topics and more

In the coming months, please be on the lookout for new surveys from the MRAA. Your responses, when combined with others and examined closely, provide the opportunity for additional learning opportunities for you, your fellow dealers across the U.S. and Canada, and the entire industry. Your continued efforts to improve and learn are impressive, and it is our honor to have the opportunity to serve and support you.

If you have questions, we have answers. (Or we will go out and find some.) We welcome you to contact MRAA about this Special Report:



Bernie DeGraw

MRAA Senior Education Developer
bernie@mraa.com

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SERVICE MANAGEMENT CERTIFICATION

FEATURING LEAD INSTRUCTOR VALERIE ZIEBRON

- » **Reduce Service Stress**
- » **Boost Service Loyalty**
- » **Improve Service Performance**

These are just a few of the benefits for your dealership when you enroll your service leadership in this robust program, that kicked off in January and will have a second offering starting fall of 2024.

Produced in partnership between the Marine Retailers Association of the Americas (MRAA) and the American Boat & Yacht Council (ABYC), this in-depth educational program includes:

- » An 11-course online training program with downloadable workbook.
- » A printed study guide, which can be a life-long reference tool.
- » A proctored exam, developed under the guidance of experienced service managers from dealerships, marinas and boatyards.

Training Includes Topics Such As

- » Developing a Proactive Shop
- » Becoming a Proactive Manager
- » Goal-Setting
- » Time Management
- » Career Management
- » Key Performance Indicators
- » Facility & Technology Management
- » Shop Financials
- » Service Department Planning
- » Managing Customer Expectations
- » Customer Satisfaction & Loyalty
- » Shop Communication
- » Interdepartmental Communication
- » Customer Communication
- » The Service Process
- » Coaching and Developing
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- » Onboarding
- » Performance Management



Learn More and Register: [MRAA.com/ServiceCertification](https://www.mraa.com/ServiceCertification)