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SO YOU DON'T NEED MORE CUSTOMERS

There are a lot of service stations around the country that seem to be having a hard time taking care of the present volume of customer work. Shops are crowded and it seems almost impossible to handle any more work.

If this condition exists in your service station you may be saying to yourself "What's the use of this customer follow-up system and why do we spend more money on direct mailing when we can't handle these we already have?"

Your bookkeeper probably already has the correct answer to this question. He will probably tell you that you may be plenty busy out in back but you still aren't keeping the boss any too busy trying to figure out what to do with the extra profit you are supposed to be producing.

There are two figures which may in some individual cases be improved but as a national average are nowhere near what they should be. One is the per cent of absorption and the other is the ratio of internal sales to customer sales.

As a national average, service departments are not yet absorbing a sufficient amount of fixed expense. Last year we talked about an absorption figure of 50%. Under present conditions this is not enough. It should be 65% or more.

A much greater increase of the national average figure must be obtained. Find out what your figure is and then discuss ways and means with your boss to determine what you can do to improve it.

The other figure that is not as yet satisfactory

is the ratio between internal sales and customer sales. The national average shows this to be about 2 to 1.

In other words, every time the service department sells a customer two dollars' worth of labor it sells the boss one dollar's worth. This also might have been satisfactory a year or so ago but today it isn't.

If the Standard Dealer Accounting system is followed the two dollar's worth of labor you sell the customer produces 55% gross profit or a little more, but the one dollar's worth of sales the boss is sold at cost plus 50% overhead. Internal business is never profitable.

Let us say this in another way. Out of every three dollars coming into the service department two of them are brought in by customers and one is brought in by the boss. Think of it, every third dollar coming into the service department is paid in by the boss and you still think you don't need more customers.

This picture must change as rapidly as possible. Interdepartmental sales, otherwise known as internal sales, are a necessary part of the business because they cover such work as new car fitting and delivery, policy work and new car reconditioning. They should receive prompt attention but they also should receive very careful supervision from the service managers so that everything possible can be done to hold down the amount of internal work, allowing the shop to be free to handle the profitable labor sold to the customers.

The average service stations still have an abnormal proportion of internal labor as compared with customer labor. Some of the reasons are excessive amount of free labor to customers, excessive and often unnecessary new car conditioning cost and excessive costs in handling new car reconditioning. Too many places are still trying, often with old-fashioned methods to make new cars out of worn-out used cars.

Service managers can do much to improve on both of these figures. It requires constant watching of all expense items. It requires constant attention to building up profitable customer contacts in order to produce a greater profit from customer labor sales. This will automatically increase both the absorption figure and the ratio of customer labor sales to internal sales.

WAS THIS YOUR CUSTOMER ?

A. "I have been towed in eleven times because the gear shift stuck. Eleven times the dealer told me the trouble was corrected. The gear shift stuck again today."

B. "I left the car with the dealer for six days, to give them plenty of time to eliminate the oil leak. When I got the car, the car was still leaking, so I took it back. Yesterday, when I picked up the car, the oil leak was corrected, but there were oil and grease spots on the upholstery and a gash in one seat cushion. The dealer refuses to make good for this carelessness on the part of his mechanics."

C. "My dealer did not stamp the number plate, nor did he fill out the owner's registration card which was in the Owner's Manual."

D. "My dealer doesn't cater to people in overalls (I always wear them in my work). Yesterday I called for my car—in overalls—and stood at the desk exactly 25 minutes. During that time I was passed by and pushed aside by two service men. While I was waiting, Mr. Doe called for his car. Five service men waited on him, breaking their necks to be nice. He was a big shot—I'm just a working stiff, but I have dollars to spend, too; only from now on I'll spend them elsewhere."

SERVICE MAILING PIECE

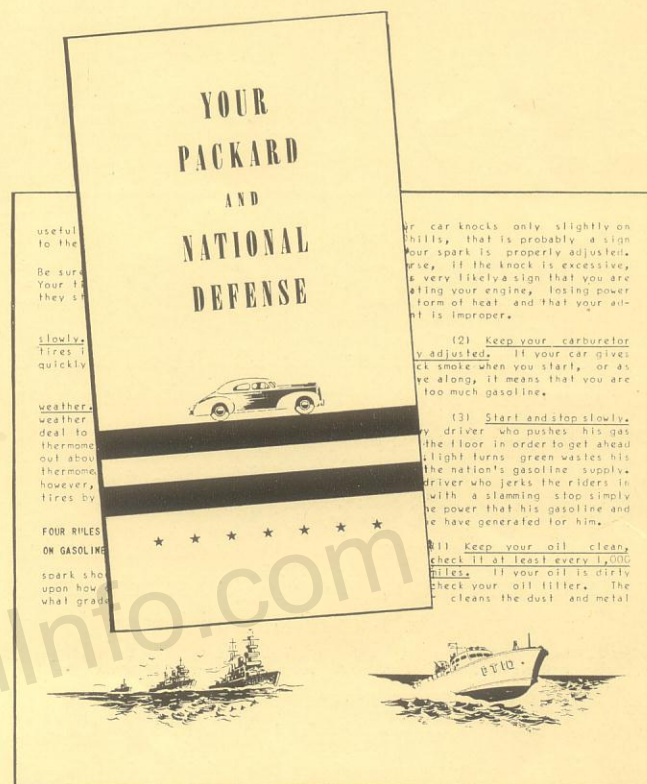
In these days of National Defense preparation and the consequent conservation of men, money and materials, it seems appropriate to give our Packard owners some helpful advice, and in doing so help ourselves.

Illustrated is an attractive and timely mailing piece on "economy of operation" of a motor car with regard to gasoline, oil, tires and mechanical maintenance costs. A sample booklet was attached to J. F. Page's letter of August 20.

We believe you will agree that this piece is attractive and contains useful advice as well as a subtle inference that your service department should be contacted by the car owner for the necessary adjustments and replacements.

We suggest a complete mailing to your owner list.

Mail only a portion of the total each day or two.



Don't mail to arrive on Monday, Saturday, the day before or after a holiday. Preferably mail after the tenth of the month. Bills are then off the customer's mind.

The booklet will fit a No. 10 business size envelope and we suggest it be mailed either with a short letter or you might enclose a neat card listing one or two specials on motor tune up, tire X'ing or brake adjustment with your firm name and address.

Cost of this mailing piece is \$1.60 per 100.

PISTONS—20th Series

20th Series cars are equipped with aluminum pistons, although we do not know how long their use will be continued.

Cast iron pistons for these models have been designed and have been thoroughly tested. When the present supply of aluminum pistons is no longer available they will be superseded by the cast iron. No difference will be noted in the performance of the motors.

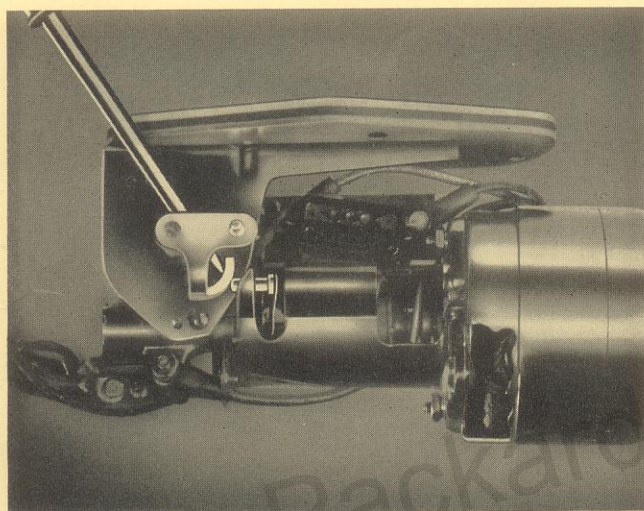
We do not know when the change will be made

but you will be advised of the motor numbers at which it takes effect.

Standard Sizes and Adjustment Service Letter of September 1, 1941 lists pistons on the Six and Eight as aluminum. However the dimensions and specifications given are for the cast iron pistons which as stated may be used later in production.

WINDSHIELD WIPER

For some time we have heard of a noise that comes and goes sounding like a Morse telegraph key and appears to be under the dash. This usually starts after crossing a railroad track or a hard bump in the road, but never shows up while standing still.



In the picture you will notice a screw driver placed at the cam which opens the points when the motor is not running. The object is to bend the cam not more than $\frac{1}{32}$ " or $\frac{1}{16}$ " toward the steering column to open the points wider. This can be done on the car with an offset tool.

GONE WITH THE WIND — OF POOR MANAGEMENT

Another customer writes:

"The local dealer has just closed his doors. This leaves us without Packard service, and perhaps you will be interested in a customer's viewpoint as to why he failed to succeed and make money as a dealer.

"His parts department, if you'd call it that—just a series of old wooden bins behind a wire screen—certainly could not have made a profit, because whenever I wanted to buy a part it was 'out of stock' or 'it should be around here somewhere but I can't find it.' No wonder, in all that muddle!

"He could not obtain his share of lubrication business, because the appearance of his grease

department and the quality and amount of his equipment did not compare favorably with the average gasoline service station.

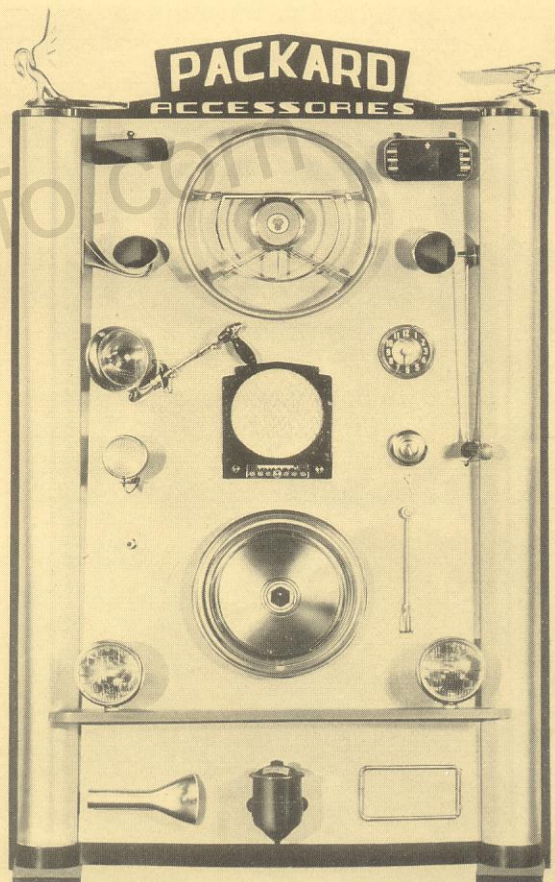
"There were other reasons, of course, but to my mind these two, together with the fact that he never solicited service business by mail or otherwise, are the most important."

ACCESSORY DISPLAY BOARD

The new 1942 Accessory Display Board offers the most practical and effective method of displaying accessories.

This board, with its sloping center panel and tall, round pillars, is a real merchandiser. Each item is displayed against an attractive background, with plenty of space around it.

The board is 48" wide, 70" high and 16" deep; the center panel is a rich buff, with gold color pillars and a black base; the top board is flag blue, with the word "PACKARD" in red. The small shelf at the bottom is blue, edged in red.



The board is complete, with all necessary holes and brackets for attaching accessories.

Again this year the factory and your distributor will share the cost of the board. Dealers should communicate with their distributor at once relative to a special price on this display.

All boards are shipped less accessories.

SERVICE IN ROCK ISLAND, ILL.



Eddie Gippert, Chicago's progressive dealer in Rock Island, Illinois, is reporting to Rudy Rosain, General Service Manager of Packard-Chicago the purchase of a Hydraulic Lubrication Hoist, Motor Analyzing Equipment, and the installation of a Lubrication Background. In addition Eddie reports that they have thoroughly cleaned up the shop and have installed new benches. Eddie, having come up through the shop as a mechanic, fully understands the profit possibilities in Service, Parts and Accessory sales.

CHICAGO SELLS ACCESSORIES

Bob Thompson, one of Chicago's District Managers, upon his return from the Factory Meeting, decided to specialize on one accessory while calling on dealers, to help them boost accessory sales.

He decided on the Back-Up Light. He obtained four on a memorandum from the Accessory Department. His standard practice would be to leave



one with a dealer, taking an order for six. The Accessory Warehouse would then ship the dealer five lights, billing him for six.

To date Bob has taken orders for six Back-Up Lights from each of the following dealers in his

territory: Elkhart, Gary, LaPorte and St. Joe.

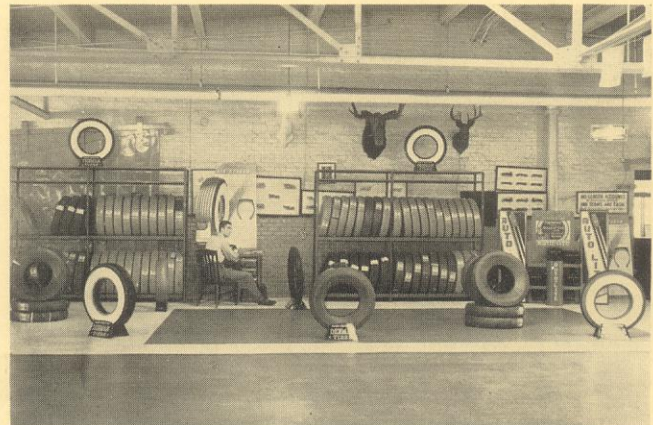
Imagine, if you can, what would happen to Packard Accessory Sales nationally if every District Manager decided to concentrate on one accessory each month as Bob has done!

ADDITIONS IN KANSAS CITY

These pictures show our new tire and liquid glaze departments. These departments, reports Bob Carter, Service Manager, were installed immediately upon return from the meeting held in Detroit the latter part of June and we are happy to report that these departments have built up to the point where we have realized an extra net profit that we were not getting before of \$700.00 to \$800.00 per month.



Upon seeing how well these operations worked for us we are proceeding with the installing of a Battery Department, using Auto-Lite batteries, as they tie in with the electrical equipment used on our cars and, of course, cutting the sales resistance to some extent.



In addition to this we are making some changes in our Service office in order to double our efforts on customer follow-up. The first of July we added another service man to our present force and the results from this addition has increased our Parts and Labor sales for July and August to \$2,307.00 for Labor and \$1,632.00 for Parts.