



THE 7 MOST IMPORTANT THINGS TO DO WHEN PLANNING AND BUILDING YOUR NEW WORKSHOP

Over 1200 Workshops Delivered and Counting





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1. DO YOUR RESEARCH

Invest time to research and plan your new workshop. When an operational, productive bay is worth a minimum of \$100,000 profit each year to your business, it isn't an area to risk getting wrong. Good research and planning can help you avoid mistakes like getting the bay sizes wrong or locating the wheel aligner in the wrong place. Little mistakes like this will continue to cost you in lost efficiency or potentially damaged vehicles for the life of the workshop.

THE PROCESS

- Look at other workshops, ask the operators what they like and what they don't like. What would they change if they had the opportunity?
- Make detailed notes and dedicate time to the research, this is a critical part of the process.
- Take pictures as it will make it easier to communicate with your design team.
- Get your own team involved, they can contribute a different point of view. It also builds excitement for the new workspace giving the team some buy in to the project.
- Engage an architect that has experience in building workshops.
- Take some time to learn to read plans and the symbols used, not knowing what the different lines and abbreviations are for might mean that you approve something to be built in the wrong place.
- Check, review and change the plans. Ask a lot of questions, it costs less to move a line on paper than a wall once it is built.
- Be available for every site meeting and visit the site often during the build. Set up a regular time each week to walk through the site with the architect and builder.
- Provide answers to enquiries promptly, as this allows the build to continue smoothly and with minimum delays. Delays cost money, so where possible, make prompt well informed decisions, ask for more information if need be.

TIP

You need to give notice to the builder if you want to physically walk onto the building site. Get your own safety gear, so you have it there ready to go for your walk throughs. (Safety gear includes hard hat, steel capped boots, safety glasses and hi-vis vest.)

- **Ask for clarification:** If things are not being built correctly or to your satisfaction it is ok to stop the build. Be aware that stopping the build should be viewed as a last resort as it will cost you time on the build and add cost. Attending site meetings each week and having a regular time on site will usually alleviate the need for such drastic and costly measures.
- Be prepared to change and compromise. Building is a fluid process, things do and will change during the build, be prepared for it.

2. ACCESS

- ↳ Is the workshop easy to find and simple for clients to access? Can they easily get a park and walk into your reception area?
- ↳ Is the reception well set out, inviting and comfortable and are the facilities clean?
- ↳ Have your team got access to you and to each other? Consider which team members need to interact with each other and think of how you can give them the best access.
- ↳ Is it easy for your technicians to communicate with the workshop controller and the rest of the team, can they get parts easily?
- ↳ Have they got the right equipment to do their jobs?
- ↳ Have you got the right people and the right equipment in the right places in the workshop? Is the parts back counter close by the workshop controllers' station and do they have a system to make sure the parts are ready for collection when they are required?
- ↳ Keep the travel distances for your technicians to a minimum, the less time they have to spend walking the more productive they can be and the more efficiently your workshop will run.

CASE STUDY

The owner of a Ford workshop called us asking if HDR could help them improve the efficiency of their workshop.

We spent time inside their workshop observing how their team moved and spent time talking with the workshop manager. One area that stood out to us during this time was a lack of access to engine oil for the technicians.

The technicians had to walk from their work bays to the oil room to get oil for each service, where they manually pumped it into containers. The workshop manager said he couldn't see the value of an oil system as the technicians "didn't spend a lot of time" getting the oil.

The trip time for the technicians was on average 4 minutes, this was not taking into account the time taken to find a "clean" drum to carry the oil in or the time taken to stop along the way for a chat or the time taken to actually pump the oil, we only considered the transit time.

4 minutes isn't a lot really is it?

Let's look at the numbers, 18 technicians carried out regular servicing and they all did this trip on average of 5 times each day at an hourly rate cost of \$28/hour.

18 technicians x 5 trips x 4 minutes trip time = 360 minutes or 6 hours lost each day.

The cost of this works out at 6 hours each day x \$28/hour = \$168 each day or \$3,528 each month or \$42,336 each year.

The lost chargeable hours looks like this:-

6 hours each day x \$130/hour = \$780 each day or \$16,380 each month or a loss of \$196,560 in chargeable hours each year.

SOLUTION: *We replaced the hand operated oil pumps with air operated oil pumps in the bulk oil tanks (further reducing the time taken to pump 5lts of oil by an additional 3 minutes for each technician) and ran two sets of oil lines out into the workshop to supply 6 sets of oil reels so that each mechanic had access to both grades of oil without leaving their bays.*

This was completed at a cost of \$35,670 which the client was able to pay for in less than 12 months with just the cost saving alone.

3. FUNCTION & FLOW

How are you expecting your customers to physically move through your business?

- ▶ How will they park and enter the premises?
- ▶ Where do they have to walk once inside the building?
- ▶ Where will they wait and what facilities will they need while they are there?

The same goes for your team consider how they will need to move through the building each day.

- ▶ Who else do they need to interact with?
- ▶ What tasks do they need to achieve and what equipment will they need?
- ▶ Will they need to get changed, have lunch or wash their hands?

EVERYTHING YOU PUT INTO THE WORKSPACE MUST PERFORM A FUNCTION TO HELP CREATE PROFIT.

It is so important to consider how your workshop will flow and how it needs to function. Get the right equipment in the right place. Create one-way flow for vehicles where possible to minimise the need for passing and design wide entrance driveways with flowing bends to reduce the risk of vehicle damage. A good functional flow to a workshop will help the team and the space perform to the best of its ability.

4. EFFICIENCY

Get the right equipment close to the people who will use it. Think about what tasks are to be carried out and by who. Focus on getting these happening in the right places. For your team to be productive they need an efficient space to perform, so take the time to set them up to succeed.

CASE STUDY

HDR recently helped one of our clients who owns a busy Mazda workshop to improve an access issue and the results have been stunning.

We spent time inside his workshop observing how his team worked and we soon realised that there were some simple changes that could be made, that would directly impact his bottom line.

The most significant change to be made was to relocate the workshop control centre out into the workshop so the team could access the workshop controller easily and quickly. While this may not seem like a big item, it reduced the 'travel time' for the technicians to return their paperwork from a finished job and get the paperwork for the next job by a minimum of 2 minutes. "No big deal right, I mean what's 2 minutes???"

But when we explained to him that the 25 technicians did this trip on average 6 times each day at a cost of \$28/hr (hourly cost rate for the technicians) and that an improvement of 2 minutes for each trip would make a significant impact on his efficiency, he wasn't really convinced until we showed him the numbers.

25 technicians x 2 minutes x 6 trips each day works out at 300 minutes or 5 hours each day of lost time. (Those 2 minutes added up!!)

*If we consider just the cost of technician time alone, it works out at:
\$28/hr x 5 hours = \$140/day or \$2,940/month or \$35,280/year of cost.*

*If we consider the lost chargeable time:
5 hours x \$125 charge out rate = \$625/day or \$13,125/month or \$157,500/year of lost opportunity each year, for a simple 2 minute saving.*

The cost to relocate the workshop control station was \$10,750 which was a return on investment of less than 4 months if we only took the cost saving into account.

5. EQUIPMENT

The cost of equipment can be overwhelming, and a confusing part of the process. However, it is important to invest in the right equipment. Every sales person will talk to you about lifetime costs - in fact you probably do that with your clients. There is no more important time to consider your workshop equipment than when planning and building your new workshop.

Workshop equipment is a long-term investment and is definitely an area where the cheapest equipment offering isn't always the best. It is tempting to search for the cheapest option on the net but you can inadvertently create an ongoing issue for you and your business. Don't be tempted to cut costs and here's an example of why.

CASE STUDY

One of our clients who owns a large Toyota dealership with 26 bays in his workshop, replaced 12 of his two post hoists 8 years ago and he opted to take the cheapest offer saving him a significant sum.

He was offered a very reputable brand and a cheaper brand which we will call Brand S, he had installed 2 of the reputable brand hoists 1 year earlier and they had performed very well.

*The offer for the reputable brand of hoists was \$6,050 for each hoist or \$72,600 and the offer for the Brand S hoists was \$4,950 for each hoist or \$59,400 which was a **cost saving of \$13,200**.*

This was seen as a significant saving at the time of the purchase, however 8 years on the story is very different and he is looking at rapidly increasing repair bills.

*HDR tracked his repair bills for the 8 years, and he has had to spend in excess of **\$23,860 to keep these 12 hoists operating** and he will need to replace them all within the next 12 months.*

This is in comparison to repair costs of less than \$1630 for the two reputable brand of hoists that are 12 months older than his cheaper Brand S hoists.

(annual maintenance and regular maintenance costs are not included in either of these figures)

He has had failures that have put hoists out of service for several days while waiting for parts, which has cost him valuable chargeable hours.

- ↳ *Make sure that your equipment supplier holds a solid inventory of parts and has a team of technicians to install, maintain and repair your equipment.*
- ↳ *A quality parts and service support network for your equipment is more valuable to you and your business than getting the cheapest equipment.*
- ↳ *Be very aware of the difference between cost and value with equipment within your workshop.*
- ↳ *Keep at the very front of your mind that under every hoist is a mechanic that you are duty bound to protect.*



6. LAYOUT

The key to developing your workshop layout is to group the type of work, into areas within the workshop.

**Servicing | Major Repair | Tyre Change & Wheel Alignment | Wash Bays | Oil Storage |
Tool Storage | Parts Counter | Workshop Control**

Keep high-volume service work closest to the workshop controller and place the lower volume, slow turn around work further away as the demand by those team members on the workshop control and parts counter is not as high. If you are part of a dealer group then the vehicle manufacturer will have a set of criteria that they want you to meet. So be mindful of including their requirements in your discussions and architectural planning.

LAYOUT CAN AFFECT YOUR BOTTOM LINE AND A MINOR CHANGE CAN CREATE BIG OPPORTUNITY.

CASE STUDY

The owner of a Nissan dealership recently approached HDR with a request for a faster wheel balancer as he was having trouble getting his technicians to carry out a wheel balance during every service. The technicians were reporting that they didn't have time to do the wheel balance within the allotted service time.

We went out to his workshop and spent time with his team to try and understand what the real issues were, what we found surprised us. The wheel aligner was based at one end of the workshop and the tyre change bay that was equipped with the tyre change hoist, tyre changer and wheel balancer were located centrally within the service bays, so that the balancer was easily accessible to the service technicians.

When the workshop was initially set up this worked very well as the dealer had only just started his retail tyre service, over the two years since he had launched this tyre service his demand for tyres had grown dramatically and the tyre bay was in constant use. When a vehicle needed tyres changed it was driven into the busiest part of the workshop to the 'tyre change bay' the technician would then change the tyres and balance them before fitting the wheels back onto the vehicle and drive to the other end of the workshop to perform the wheel alignment.

The time taken for this transit between the two locations was 8 minutes and the technician was changing 8 sets of tyres and completing 14 wheel alignments each day.

When we looked at the tyre technician cost numbers with the client this is what we found:

- ▶ ***1 technician did this trip an average of 8 times each day at an hourly rate of \$29/hour***
- ▶ ***1 technician x 8 times each day x 8 minutes = 64 minutes or approx. 1 hour each day,***
- ▶ ***the lost time cost of this is \$29 x 1 hour = \$29 each day which is \$609 each month or \$7,308 of lost cost each year.***

If we consider the lost opportunity in chargeable hours, it is 1 hour at \$125/hr or \$2,625 each month or \$31,500 each year of lost opportunity. The critical impact though of this issue was more than just a cost issue it was that while he was using the balancer the service technicians often had to wait for more than 10 minutes to access the balancer, so there was additional lost time and often due to this time constraint the technicians did not balance the tyres during every service.

The solution that HDR discussed with the client and ended up actioning was to relocate the tyre change bay and all of the equipment to the bay beside the wheel alignment area, saving the alignment technician more than 1 hour each day. We installed an additional 2 post hoist for servicing in place of the tyre bay and we fitted 2 additional basic balancers in the workshop to reduce wait time and improve the access so the technicians could balance every tyre during servicing.

This resulted in the client selling 3 more sets of tyres and 1 -2 alignments each day, this created an additional \$320 - \$400 of profit increase each day. (a yearly profit increase of \$320 x 5 days each week x 52 weeks of \$83,200)

All of his technicians were able to balance every set of tyres during the service and this resulted in a direct improvement in his client satisfaction ratings.

The cost to supply the new equipment and to re-locate the existing equipment was \$18,630

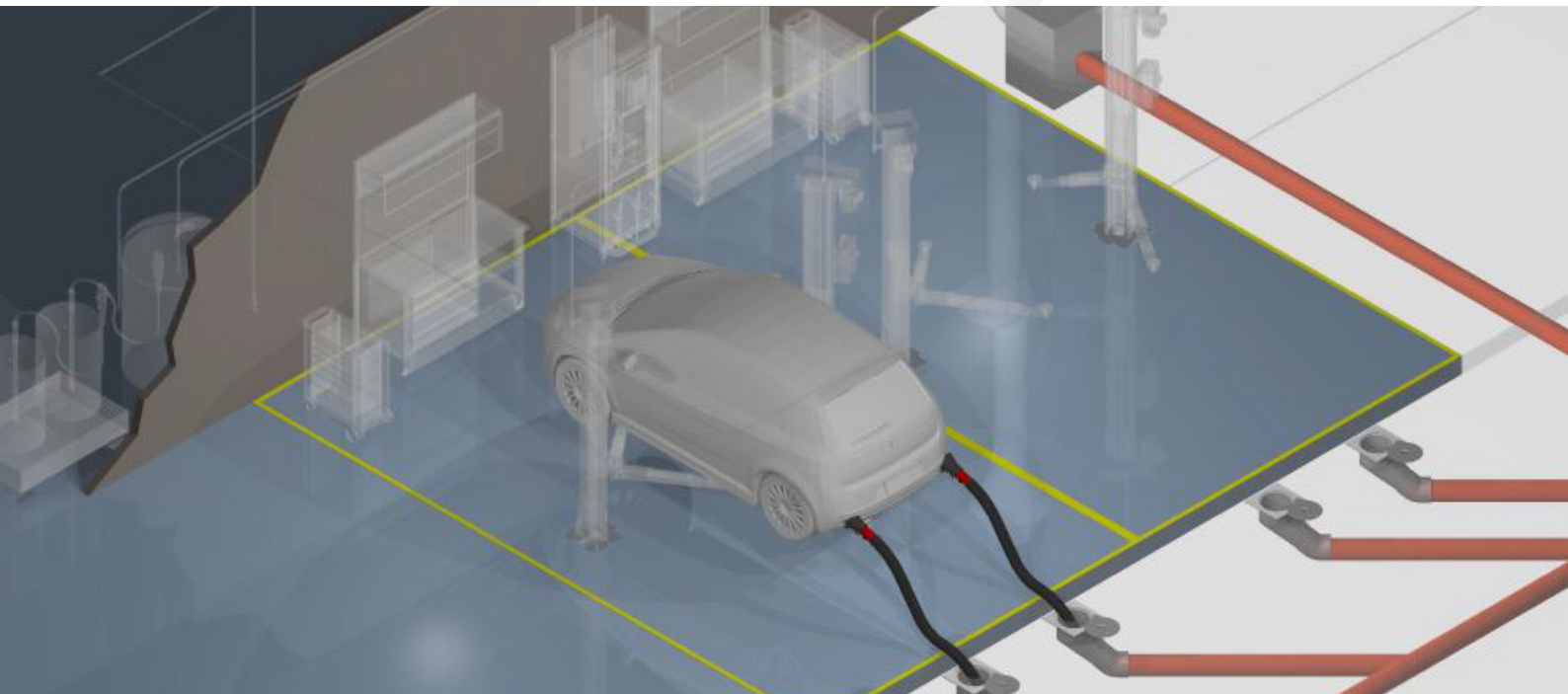
7. PRESENTATION & IMAGE

The first impression of your business is important. Consider what your clients feel and see when they enter your business. Are they walking into a frenetically busy area that is chaotic or are they walking into a busy area that is calm and inviting?

- Are clients acknowledged as soon as they enter?
- How long do they need to wait?

A relaxed professional reception area will make your clients feel at ease. They expect to be able to see into your workshop and see how their vehicle is treated as it is being serviced. So, your workshop needs to be clean, well run and presented to them as organised and professional.

It's not only the workshop space that needs to present a professional image; your whole team needs to be dressed professionally in a team uniform. Old dirty uniforms tell the client you don't care. Educate your team and equip them with the training and skills they need to deal with these demands.



HDR WORKSHOP SOLUTIONS

It is sometimes hard to see the opportunities within your workshop and we understand that, which is why we spend time in our clients workshops every week helping them to improve and grow their businesses.

The team at HDR have been involved in creating over 1200 workshops for clients over 35 years.

If you would like more information or help planning, running and creating your next project, click on the link below. We look forward to the opportunity of working with you to help you grow and improve the profit within your workshop.

We would love to be involved in helping you to create a profitable and awesome workspace.

Click on to Email us at- info@hdrworks.com.au