

Service Momentum Optimization

Summary

Service Momentum Optimization strengthens service profitability by eliminating workflow friction that prevents technicians from consistently billing their full available hours. By improving repair order flow, dispatch discipline, and administrative processes, this engagement converts lost capacity into billable revenue using data already housed in Fusion and KMS.

Program Objectives

- Reduce repair order Total Cycle Time from open to invoice
- Shorten Lag Time to accelerate invoicing and cash flow
- Improve technician Efficiency, Productivity, and Proficiency
- Increase Effective Labor Rate and Gross Profit per RO
- Deliver validated ROI within 90 days of engagement

Engagement Structure

| Phase | Focus | Output |
|-------------------|--------------------------|-------------------------------------|
| 1. Discovery | Data pull & KPI baseline | KPI Report + Heat Map |
| 2. Observation | Workflow analysis | Process Map + Rules of 2 Compliance |
| 3. ROI Modeling | Quantify improvements | Executive ROI Deck |
| 4. Implementation | Quick wins & coaching | 60-Day Action Plan |
| 5. Validation | Measure realized gains | Before/After ROI Summary |

Key KPIs

| Category | Metrics |
|-----------------------|---|
| Service Flow | Total Cycle Time • Throughput/Dwell • Lag Time |
| Rules of 2 | ≤2 hrs to first tech punch • ≤2× billed vs. actual • ≤2 days to close |
| Labor & Profitability | Effective Labor Rate (Retail/Warranty/Internal) • Gross Profit per RO • Weekly Sales per Tech/Advisor |
| Technician Metrics | Efficiency • Productivity • Proficiency |

Labor Performance

- Technician Efficiency
- Technician Productivity
- Technician Proficiency
- Effective Labor Rate

ROI / Financial Impact

Assumptions

- 10 technicians per branch
- 40 billed hours target per technician per week
- Average effective labor rate: \$125/hour
- 1 additional billed hour recovered per technician per week
- 2 service advisors / administrative staff recovering 4 hours per week each
- \$65/hour fully loaded administrative cost
- 52 working weeks annually

Annual Time / Capacity Recovered

- 520 additional technician billed hours annually
- 416 administrative hours recovered annually

Estimated Financial Value

- Technician revenue opportunity: \$65,000 annually
- Administrative efficiency value: \$27,040 annually

Total Potential ROI

≈ \$92,040 annually per branch

Cash Flow Acceleration

Reducing lag time between repair order completion and invoicing accelerates dealership cash flow and improves working capital availability.

- Average monthly service revenue per branch: \$1.5M
- Lag-time improvement: 2 days faster invoicing
- Estimated working capital improvement: \$100,000–\$200,000 liquidity increase

Estimated working capital improvement:

- \$100,000–\$200,000 improvement in operating liquidity

Additional Operational Impact

Beyond direct revenue and efficiency gains:

- Faster invoicing improves dealership cash flow and working capital availability
- Reduced repair order lag improves financial visibility and month-end accuracy
- Stronger technician dispatch flow improves labor utilization without adding bays
- Reduced administrative follow-ups improve customer communication and service coordination

These benefits compound the operational ROI and strengthen overall branch financial performance.

Qualification Questions

- How long does it typically take from repair order open to invoice in your service department?
- How often do repair orders sit completed but not closed or invoiced for more than a day?
- Are technicians able to punch onto a job within two hours of the repair order being opened?
- How frequently are repair orders reopened or adjusted after completion due to missing labor, parts, or documentation?
- What percentage of technician time is non-billable due to waiting for dispatch, approvals, or parts availability?
- Do service advisors spend time following up internally for job status instead of communicating with customers?
- How consistently are Rules of 2 metrics (first punch, labor variance, and close timing) being monitored today?
- Do you have visibility into weekly sales per technician or advisor, and how consistently are those targets achieved?

Deliverables

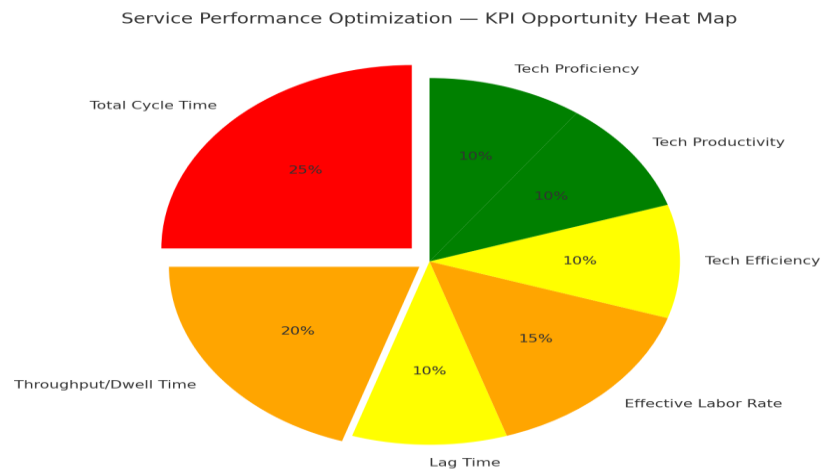
- Baseline KPI Report & Heat Map
- ROI Model & Executive Deck
- Action Plan (Quick Wins + Structural Fixes)

Why It Matters

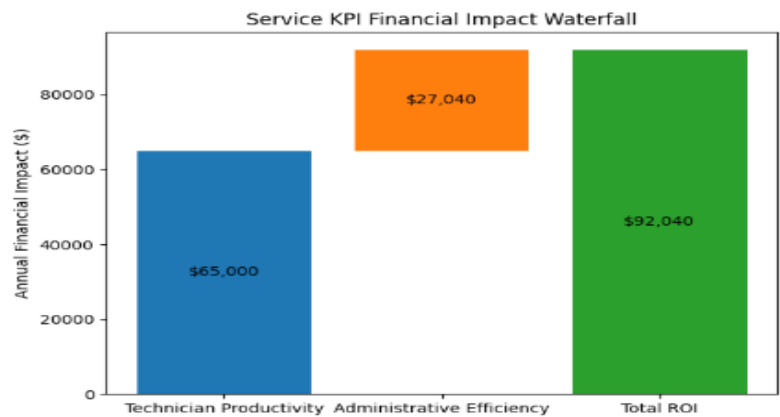
- Positions Professional Services as the customer-intelligence engine at Karmak
- Provides a repeatable, data-driven engagement that proves ROI
- Creates a measurable link between Fusion usage and dealership profitability

Service Performance Optimization — KPI Opportunity Heat Map

This visual illustrates the distribution of financial impact across key Service KPIs. Colors represent priority areas: Red = Critical, Orange = High, Yellow = Moderate, Green = Low.



The heat map enables Professional Services to quickly pinpoint areas of improvement and communicate financial opportunity with clarity.



This visual demonstrates how improvements in core service KPIs translate directly into measurable financial impact. By reducing workflow friction and administrative rework, Service Momentum Optimization converts recovered technician capacity and efficiency gains into sustainable revenue growth and operational profitability