

Arizona Machinery's Key Result Areas By Department

The following is a web continuation of the article, "Making Multi-Stores Manageable" that appeared on p. 10-16 from the April/May 2005 issue of Farm Equipment. This "Dealer Spotlight" article on Arizona Machinery explored how management officials oversaw on top of 13 stores in 4 non-contiguous states remotely from the headquarters opera-

tion in the Phoenix area. A significant part of the success, says President Tom Rosztochy, was Key Result Areas or the important success indicators for the company's health, which were determined by the firm's management team. The KRAs selected by Arizona Machinery to closely monitor, track and correct are listed below.

SALES DEPARTMENT KEY RESULT AREAS

- | | | |
|--|----------------------------|--|
| 1. Total Complete Machine Revenue \$ | 11. 60-90 HP | 22. % of Follow-Up Calls |
| 2. Gross Margin % | 12. 90-100 HP | 23. Internal Survey Results |
| 3. Personnel Expense % (as a % of GM) | 13. 110-160 HP | 24. ESI Score |
| 4. Net Income Expense (as a % of GM) | 14. 160-240 HP | 25. Retention Rate (desirable employees that left) |
| 5. New Inventory Turns | 15. 4WD | 26. # of Coaching Sessions |
| 6. New Paid for Inventory \$ | 16. Under 40 HP | 27. # of Common Meetings/Functions/Projects |
| 7. New Vendor Inventory \$ Aged > 6 Months | 17. 40-60 HP | 28. New Profiles Created/Modified Per Month |
| 8. Used Inventory Turns | 18. Golf & Turf | 29. Account Management Tracking (calls missed) |
| 9. Used Inventory \$ Aged > 6 Months | 19. RLE | |
| 10. Used C & CE Equipment Sales | 20. CSI (Satisfaction 1st) | |
| | 21. CSI Allegiance Score | |

PARTS DEPARTMENT KEY RESULT AREAS

- | | | |
|---|---|---|
| 1. % of Fill | 12. % CSI Score (Satisfaction 1st) | 22. # of New Parts & Service Customers |
| 2. Turns (R12) | 13. Avg. Sale Per Counter Ticket | 23. Interdepartmental Surveys |
| 3. \$ Invested in Inventory | 14. Post Transaction Phone Calls | 24. # of Common Meetings/Functions/Projects |
| 4. Zero Sales % -- 12 Months | 15. % Score on Post Transaction Phone Calls | 25. ESI Survey % |
| 5. Stock Order % | 16. Create Marketing Plan | 26. Employee Turnover Rate (# of desirable employees that left) |
| 6. Total Parts Sales \$ | 17. Target Marketing Program Sales as a % of Prior Year Results | 27. Days Lost (Unanticipated Absences) |
| 7. Gross Margin % | 18. # of Marketing Plans Implemented | 28. Individual Meetings/Coaching Sessions |
| 8. Personnel Expense % | 19. Display Checklist | 29. Department Meetings |
| 9. Operating Income \$ | 20. Sales \$ Per Employee | 30. Parts Walkaround Checklist |
| 10. Operating Income % | 21. Counter Sales as % of Total Parts Sales | |
| 11. % of Warranty Receivable Aged > 60 Days | | |

SERVICE DEPARTMENT KEY RESULT AREAS

- | | | |
|---|---|---|
| 1. Billing Cycle Days | 14. Labor Overrun \$ | 26. Operating Income \$ |
| 2. % of Jobs W/ Quotes | 15. Shop Warranty Expense As a % of Total Revenue | 27. Operating Income % |
| 3. Open Jobs Over 30 Days | 16. Warranty Recovery % | 28. Revenue Recovery % |
| 4. Post-Transaction Calls | 17. Promise Dates Met % | 29. Revenue Per Dept. Employee |
| 5. Post-Transaction Call Survey Result % | 18. Service Agreement Labor \$'s | 30. Work in Process \$ |
| 6. Log Customer Complaints | 19. CSR Sales Calls Completed & Logged | 31. % of Warranty Receivable Aged > 60 Days |
| 7. Service Portion of CSI % | 20. # of Marketing Plans Implemented As Set in Marketing Plan | 32. % of Other Manufacturer Warranty Receivable Aged > 120 Days |
| 8. Regular Department Meetings With Documented Results | 21. Marketing Program Sales As % of Prior Year Results | 33. Service Facility Walk-Around Checklist |
| 9. One-on-One Coaching Sessions | 22. Total Service Sales \$ | 34. Vehicle Inspection Checklist |
| 10. Development Action Plan for Each Employee (# of Goals Achieved) | 23. Gross Margin As % of Sales | 35. % Score on Interdepartmental Surveys |
| 11. Number of Days Formal Training | 24. Personnel Expense % | 36. # of Common Meetings/Functions/Projects |
| 12. ESI Survey Score % | 25. Operating Expense % | |
| 13. Rework Hours as a % of Total Hours | | |