# DON CHALMERS Ford

*Real Value...Real People...Real Simple.*

# *Operations*
## *Increasing the Probability of Success with a Systems & Process Focus*
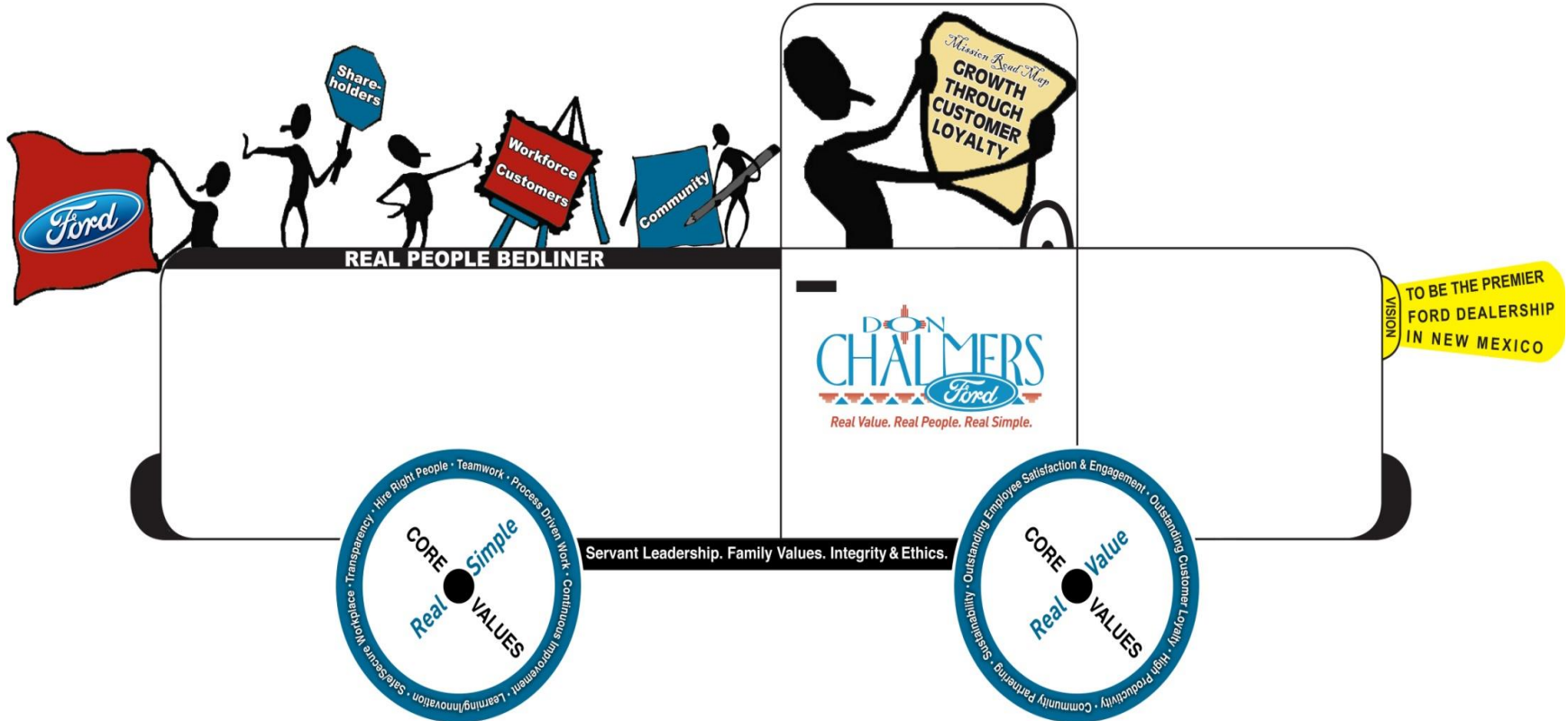
# Lee Butler

## Director of Performance Excellence

**Malcolm Baldrige**
National Quality Award
*2016 Award Recipient*

# Delivering the DCF Experience

# *DCF Experience in Gear*



**OUR VISION:** To be the Premier Ford Dealership in New Mexico

**OUR MISSION:** Growth Through Customer Loyalty

**OUR CORE COMPETENCIES:** Servant Leadership, Family Values, Integrity and Ethics

**Real People (Stakeholders)**

Workforce

Customers

Community

Ford

Shareholders

**Real Simple (Processes)**

**OUR CORE VALUES:**

Transparency
Hire the Right People
Teamwork
Process Driven Work
Continuous Improvement
Continuous Learning
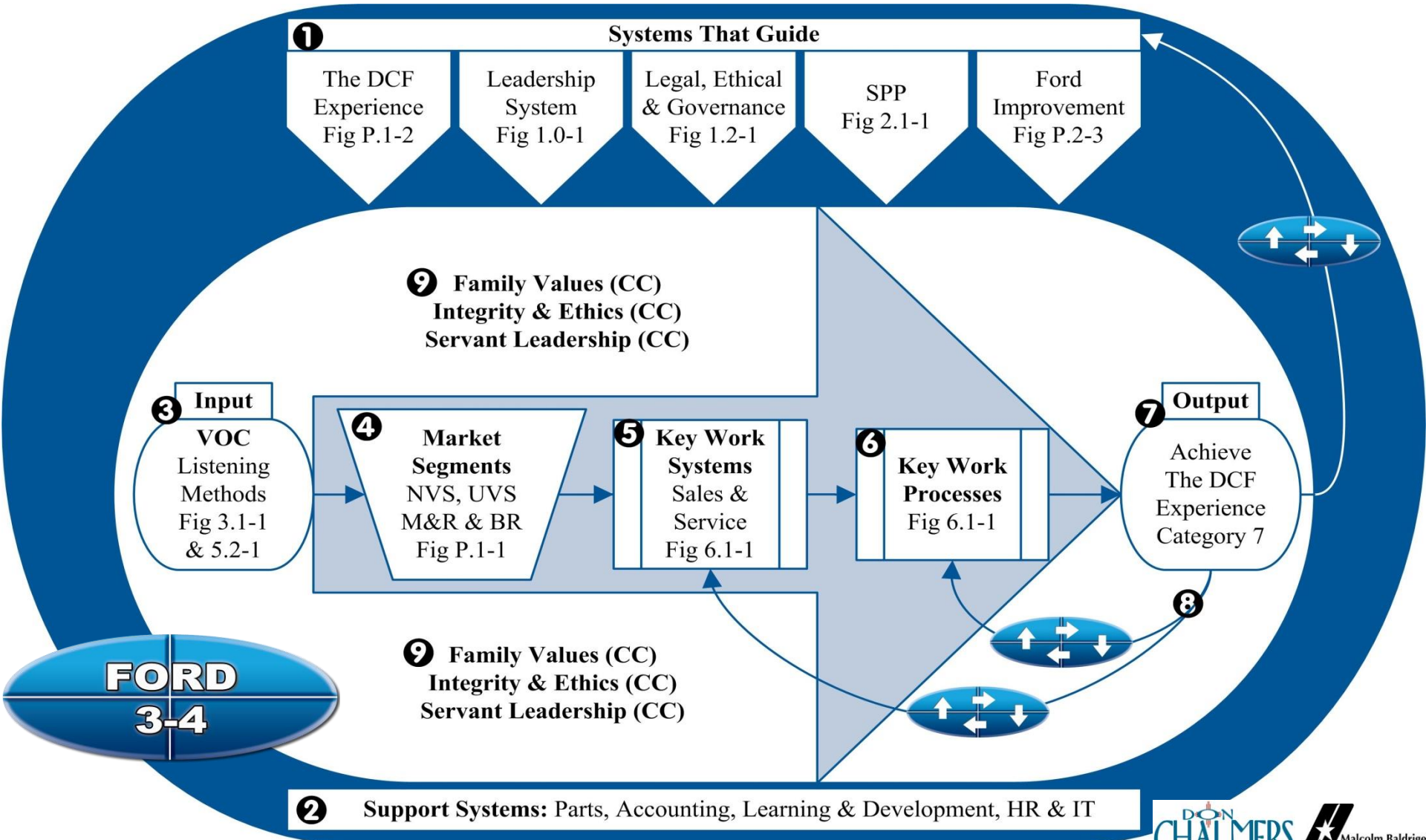Innovation Implementation
Safe and Secure Workplace

**Real Value (Outcomes)**

Outstanding Employee Satisfaction and Engagement

Outstanding Customer Loyalty

High Productivity

Community Partnering

Sustainability

THE DON CHALMERS FORD EXPERIENCE

# *Organizational Excellence Model*



**❶ Systems That Guide**

| The DCF Experience Fig P.1-2 | Leadership System Fig 1.0-1 | Legal, Ethical & Governance Fig 1.2-1 | SPP Fig 2.1-1 | Ford Improvement Fig P.2-3 |

**❾ Family Values (CC) Integrity & Ethics (CC) Servant Leadership (CC)**

**❸ Input**
VOC Listening Methods Fig 3.1-1 & 5.2-1

**❹ Market Segments** NVS, UVS M&R & BR Fig P.1-1

**❺ Key Work Systems** Sales & Service Fig 6.1-1

**❻ Key Work Processes** Fig 6.1-1

**❼ Output**
Achieve The DCF Experience Category 7

**❽**

**❾ Family Values (CC) Integrity & Ethics (CC) Servant Leadership (CC)**

**FORD 3-4**

**❷ Support Systems:** Parts, Accounting, Learning & Development, HR & IT

DON CHALMERS Ford
*Real Value...Real People...Real Simple.*

Malcolm Baldrige National Quality Award
2016 Award Recipient

# *Web-based on-line process manual*

- Development & deployment process
- Defined and all have owners
- Flow chart & text version of the process
- Can track Engagement
- >300 deployed processes
- Reviewed regularly

**InProcess**

# *Organizational Sustainability*

- 30 or so Critical Systems in the Baldrige Framework (Category 6):
  - Product & Process Design
  - Work Process Management
  - Work Process (Performance) Improvement
  - Innovation Management
  - Supply-Chain Management
  - Safety & Emergency Preparedness

- We have tracked their maturity levels since 2003

# *Critical Baldrige System Maturity*

| Maturity Stage | 2003 | 2005 | 2008 | 2012 | 2016 |
|---|---|---|---|---|---|
| System Implemented | 14% | 17% | 19% | 87% | 97% |
| System Defined/ Not Implemented | 32% | 26% | 35% | 13% | 0% |
| System Exists/ Not Documented | 32% | 48% | 46% | 0% | 3% |
| No System | 21% | 9% | 0% | 0% | 0% |

# Key Systems & Process Improvement Cycles

| Year | 1-2 | 3-4 | 5+ |
|------|-----|-----|-----|
| 2007 | 43% | 40% | 17% |
| 2008 | 37% | 34% | 28% |
| 2011 | 36% | 30% | 34% |
| 2016 | 15% | 18% | 68% |

# *FORD Improvement System*

**Focus on the "F" Word**

**Find**

**Organize**

**FORD**

**Document**

**Review**

**FORD 5+**

# *Ask: "What's On Your Mind?"*

| # | Date | BPR Goal Impacted | Describe issue or opportunity | What can we do to solve it? | Status | |
|---|------|-------------------|-------------------------------|------------------------------|--------|-----|
| | | | | | In Work | Done |
| 97 | 11/21 | Productivity | Tickets are closed with no mileage out on open lines | Monitor | | X |
| 102 | 2/20 | Productivity | Numerous Tech computers can't pull TSB's | Erin to work on it | X | |
| 106 | 3/20 | Productivity | Get wheel locks from customers | Chad to discuss in advisor meeting | | X |
| 108 | 4/17 | Productivity | Body shop bay is a mess | Chad to talk to Dave | X | |

# *Back Page Improvements*

| Total Improvements | >700 |
|---|---|
| Service % | 49% |
| Sales % | 33% |
| Support % | 19% |
| **% by Key Success Driver** | |
| Productivity | 38% |
| Employee Satisfaction | 27% |
| Customer Satisfaction | 19% |
| Other: | 16% |
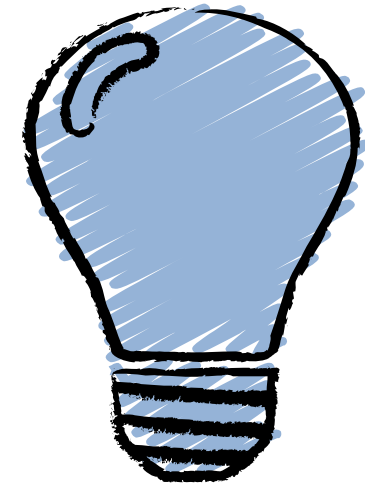
# Employee Suggestion Gone Bad

# *Carry-Overs*



**# Vehicles Carried Over average per day**

10

6.4

5

0.9  0.5  0.7

0

2013    2014    2015    2016
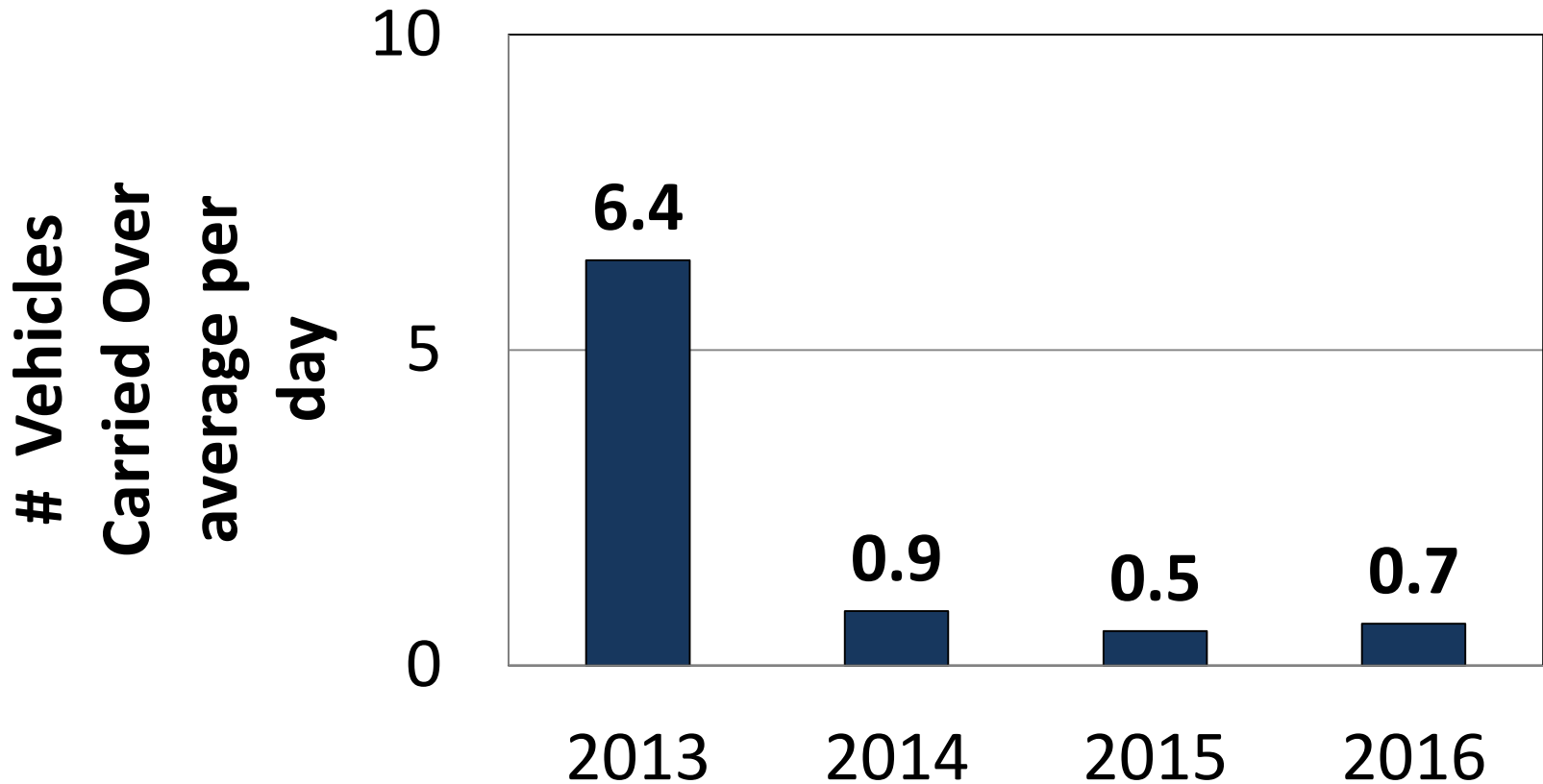
# *Work Process Design System*

**Stakeholder Requirements**

- Workforce
- Customers
- Community
- Ford
- Shareholders

**Process Owner**

Analyze Reqmts.

Resource Impact Review

Initial Design

Change?

Adjust Design

**SLT/Process Owner**

Baldrige System? — N

Release — Y

Meet the Intent? — Y

N

N

# *A Picture is worth a 1,000 words*

# *Innovative Sales Process*

- Designated parking for customers
- Welcomed by a greeter
- Sales offices are visible to the customer from the showroom
- Transparent pricing using Market value pricing
- Delivery team dedicated to explaining all the features & technology

# 8 STEP SALES PROCESS

*Each customer experiences this unique, customer-friendly sales system*

1. **Greeting:** Customer is greeted in friendly manner & introduced to a salesperson

2. **Needs Assessment:** Customers wants & needs are determined to select proper vehicle

3. **Presentation:** Salesperson explains features and benefits of selected vehicle

4. **Demonstration:** Features are demonstrated along with test drive

5. **Proposal: a)** Salesperson gets trade appraised, if necessary

**b)** Price/Value discussion (Offer) is prepared by the Sales Manager & presented to the customer by the Salesperson

6. **Finance and Paperwork:** The customer is introduced to Finance Manager to complete paper work

7. **Delivery:** Customer is introduced to Service Department & Delivery Manager for explanation of features and schedule first maintenance appointment

8. **Follow Up:** Customer is contacted 2 days later to ensure satisfaction of purchase

# Sales Voice of the Customer

**#1 in Mkt.**

VOC/CEI

95

90 — 90

91

90 — 90

94

85

80

2013    2014    2015    2016
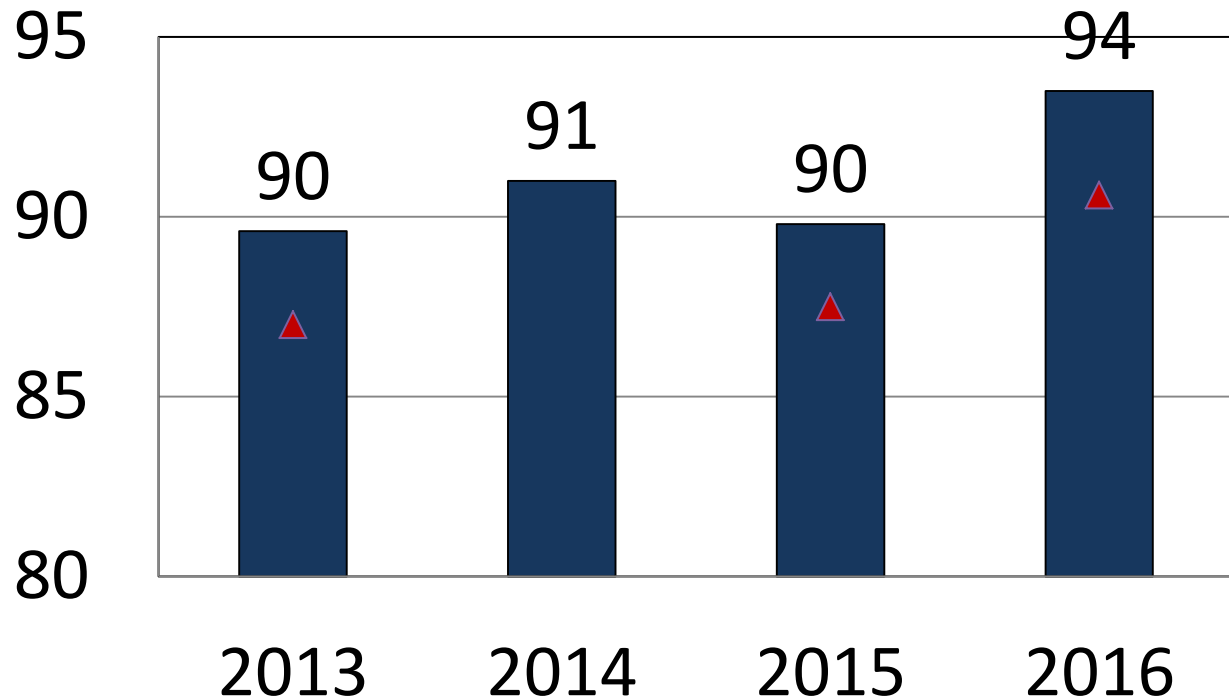
■ DCF       ▲ 20 Bmark

# *Innovation Management*

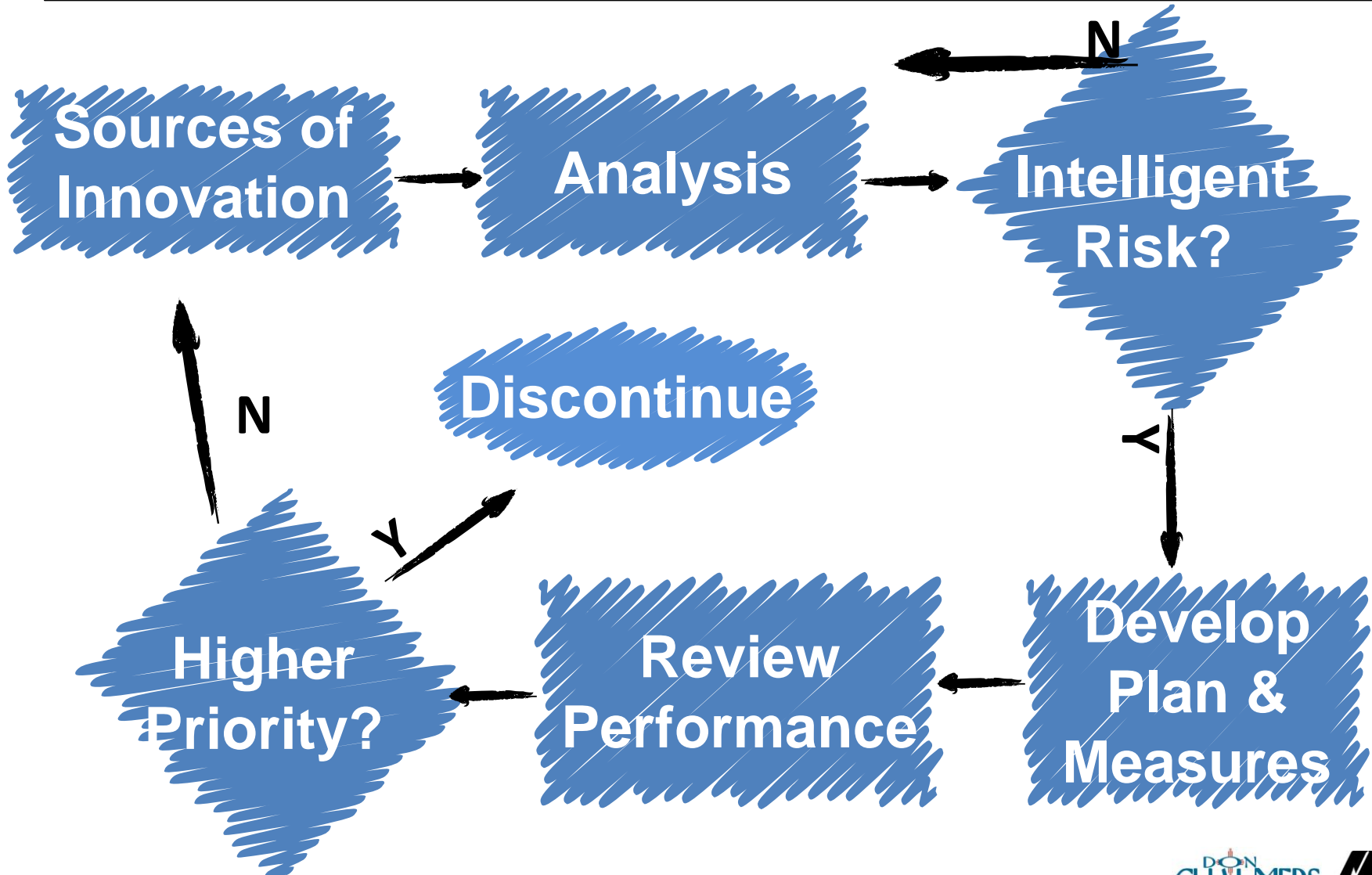**Sources of Innovation** → **Analysis** → **Intelligent Risk?**

# *Determining Intelligent Risk*

- Is there a need in our market?

- Is there ample current staff?

- Do our facilities have the capacity?

- Are resources, finances and others in place?

# *Innovation Management*

# *Innovations*

- Free Health & Wellness Clinic for employees & their families

- Closed on Sundays

- Equal Bonuses for achieving Key Goals & President's Award

- Owner clinics to re-engage new owners

- Driving Forward Report

- "How I Connect" sheet



**It's a matter of life or death**
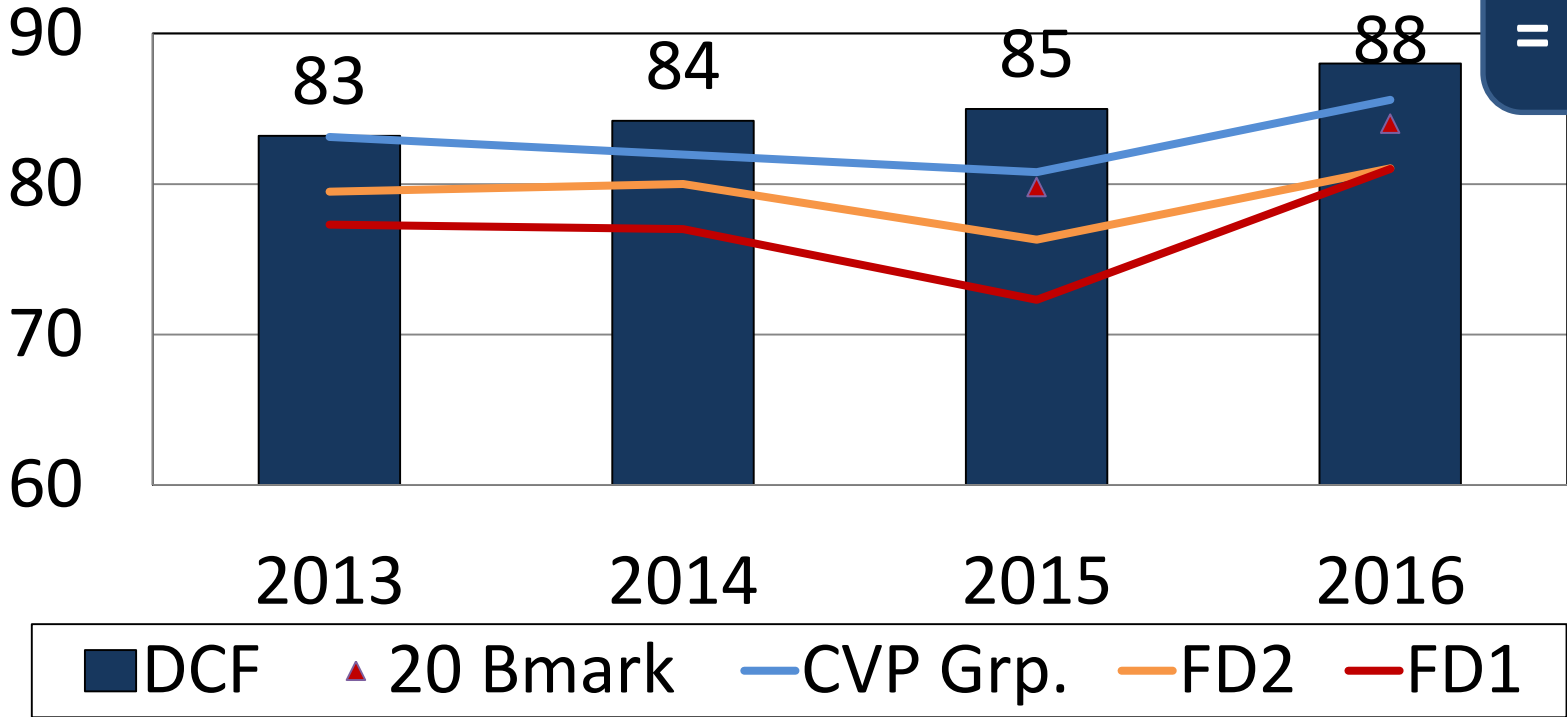
# *Community Partnering*

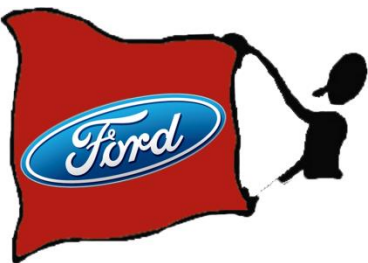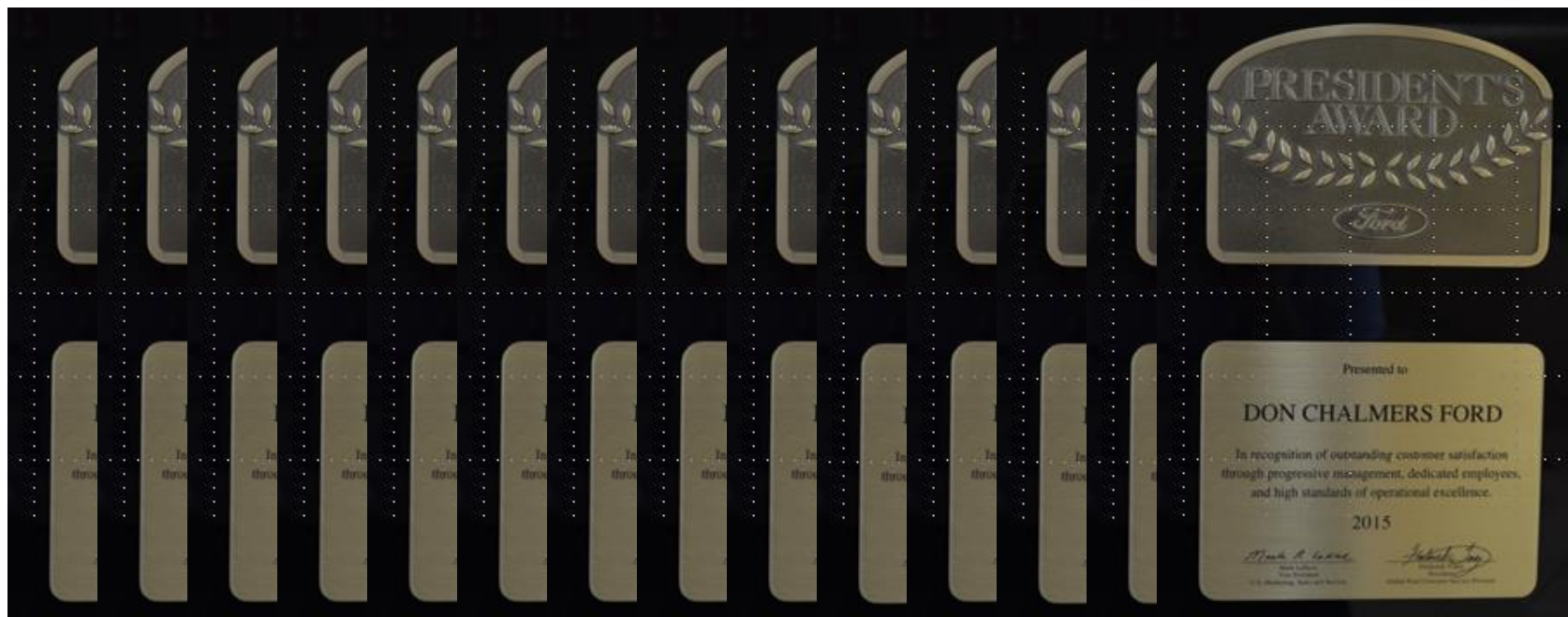| | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|
| Avg. Volunteer Hours | 45 | 47 | 45 | 44 |
| Community Boards Participation | 10 | 14 | 16 | 16 |

**80% participation in United Way**

# *14 President's Award*

# *Catch 'em doing things Right*

# *Sweet 16*

## Do We Really Need Baldrige?

| Baldrige Category | Question | Our Organizational Rating | | |
|---|---|---|---|---|
| | | Not A Strength | Some Ability | A Strength |
| Organizational Profile | 1 – Ask the senior leaders to take out a piece of paper & write down:<br>   - Your customer groups<br>   - The requirements for each group | | | |
| | 2 – Ask the senior leaders to take out a piece of paper & write down:<br>   - Your employee groups<br>   - What drives engagement for each group | | | |
| | 3 – Have the senior leaders agreed on what is coming at them from the outside and how they will translate that all the way down to what we they do as an organization? | | | |
| | 4 – How acceptable is status quo, and what percent of a leader's time is spent on improvement for the future? | | | |