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Subject: Proposal for Installing an Automatic Car Wash System.

Introduction

Dealerships today have two options when it comes to washing cars for their customers. The first option is having lot attendants that wash each car by hand. This has little upfront costs but continued labour costs. The second option is to have an automatic car wash that does all the washing and sometimes drying. This has a much higher upfront cost but lower cost to operate. The benefits of an automatic car wash are unique to each dealership and must be analyzed individually to determine its feasibility.

Problem Statement

White Rock Honda spends money to have at least 2 lot attendants washing cars throughout most of the day. The labour costs are ongoing and add up overtime. The speed of the washes can vary greatly along with human errors during the wash. There is also a risk of losing lot attendants and being unable to adequately wash cars.

Proposed Solution

There is only one possible solution to decreasing labour costs and while also increasing efficiency and speed of washes. An automatic car wash machine would allow a decrease in labour costs and an increase in speed, efficiency, and flexibility. This machine could also be used by other staff such as service advisors and sales staff that do not regularly wash cars.

Scope

To assess the benefits and costs (both direct and indirect) of installing an automatic car wash system I plan to look at the following questions.

1. What is the average number of cars washed per day?
2. What is the amount of time it takes to wash a car by hand?
3. How often are complaints received from customers regarding their car washes
4. How much money and time is spent addressing these complaints?
5. What is the average cost per lot attendant per hour?
6. What is the total cost to install an automatic car wash?
7. How much could be charged for individually priced car washes?
8. Do customers have a preference between an automatic or hand wash.

Methods

My methods of gathering data will be either surveys or interviews of a current lot attendant, service advisor, and service manager. By interviewing these people, I can determine how important the car wash is to the overall customer experience, the usual time it takes to complete a wash, and any other

aspects I may be leaving out. I will also have a separate questionnaire for customers to determine their views on an automatic wash compared to a hand wash.

My Qualifications

I spent just under 3 years working as a lot attendant and shuttle driver at White Rock Honda. Within those three years I spent a lot of time using the wash bays to wash and vacuum customer vehicles. This gives me a good idea of how long it takes to wash a car by hand, which will be a key comparison metric. Additionally, I have a solid understanding of the day-to-day of the service department and how washing cars fits into the operations as a whole.

Audience

This primary audience of this formal report is the Service Manager of White Rock Honda. However, secondary audiences could include other staff who are affected by this change and customers who get their car washed at the dealership.

Conclusion

Speed and quality are two key aspects of service expected by customers while cost savings and customer satisfaction are two important aspects for the dealer. Both the customer and dealer would benefit from an upgrade to automatic car washing. While the upfront cost is high, a breakeven point would likely be reached after the cost savings from less labour and customer complaints.