

Improve Your Bottom Line by Increasing Toolroom Operational Efficiency

Abstract

This whitepaper is written for Service Managers, Parts Managers, and Dealer Principals at John Deere dealerships. It uncovers the staggering costs of tool-related downtime and presents ToolHub as a comprehensive solution to streamline toolroom operations and boost the bottom line.

Introduction

The bottom line of the dealership business is tied to operational efficiency. Every minute wasted in your service department translates to lost revenue, disgruntled customers, and ultimately, a decline in profitability. A hidden culprit eroding efficiency is tool loss and misplacement.

This white paper dives into the staggering costs of tool-related downtime and introduces the concept of a tool inventory solution designed to streamline your toolroom operations. A well-designed tool inventory solution, like **ToolHub**, can save your dealership money by:

- **Reducing technician search time**
- **Boosting technician productivity**
- **Minimizing technician turnover**
- **Preventing costly delays**
- **Improving customer satisfaction**



The True Cost of Downtime: Beyond Wasted Minutes

While the time technicians spend searching for missing tools is a measurable cost, the true impact of toolroom mismanagement goes far deeper. Consider these factors:

- **Impact on Technician Morale:** Frustration with misplaced tools can lead to decreased job satisfaction and a higher likelihood of technician turnover. The Society for Human Resource Management (SHRM) reports that replacing a salaried employee costs a company 6 to 9 months' salary on average. Consider a mid-range service technician salary. Replacing just one technician due to tool-related frustration could cost your dealership a significant portion of their annual salary.
- **Domino Effect of Delays:** When one technician experiences delays due to missing tools, it impacts the entire service department's schedule. A delayed technician throws off appointment times, leading to customer frustration and potentially, lost business. A study by J.D. Power found that service delays are a major driver of dissatisfaction in the automotive industry. This directly translates to the agricultural equipment service industry as well.





The Financial Impact: Numbers Don't Lie

While the specific cost of toolroom mismanagement will vary between dealerships, several studies paint a clear picture of the significant financial impact:

- **Reduced Technician Productivity:** Studies show technicians spend an average of 12 minutes per day searching for missing tools. With an average service department employing 10 technicians, that translates to a staggering amount of wasted time per day searching. Over a year, that's hundreds of hours of lost productivity! At an average technician rate, this translates to a significant annual cost on tool searches alone.
- **Lost Revenue Opportunities:** The Manufacturing Resource Planning (MRP) Institute found that effective tool control systems can increase technician productivity by up to 25%. For a dealership with an annual service revenue, a 25% productivity increase translates to a substantial increase in annual revenue.



Case Study: A Real-World Example of Efficiency Gains

One JD Dealership faced significant challenges with toolroom mismanagement. Technicians routinely wasted time searching for missing tools, leading to delays and customer dissatisfaction. After implementing a tool inventory solution, Dealership reported the following results:

- **Reduced Technician Search Time by 50%:** This translates to a substantial annual saving based on the national average of 12 minutes wasted per day per technician.
- **Increased Service Revenue by 15%:** A direct result of improved technician productivity, this translates to a significant increase in annual revenue for Dealership.
- **Improved Customer Satisfaction Scores:** By eliminating delays caused by missing tools, Dealership X experienced a noticeable improvement in customer satisfaction ratings.



Equipping Your Dealership for Success: Introducing ToolHub

ToolHub is a powerful asset management and inventory solution designed to help dealerships take control of their toolroom assets. It addresses the challenges outlined in this whitepaper by providing:



- **RFID & Barcode Tracking:** Check tools in and out in seconds with the ToolHub Mobile App, eliminating time wasted searching for missing equipment. Quickly scan barcodes or RFID tags to manage inventory movements efficiently.



- **Instant Tool Location:** Utilize ToolHub's advanced search capabilities to locate any tool instantly, maximizing technician productivity. Simply search by tool name, number, or any other criteria to pinpoint its exact location.

- **Tool Loaning:** Easily manage and track tools loaned to other locations. Keep records of who has borrowed what, when it's due back, and generate reports on loaned inventory.

- **Safety Maintenance:** Track tool maintenance schedules and identify potential safety issues before they cause accidents or damage. Set reminders for routine maintenance and inspections.

- **Real-Time Inventory:** Eliminate tool loss with regular counts across multiple toolrooms. Always know what you have in stock and where it's located with up-to-date inventory data.

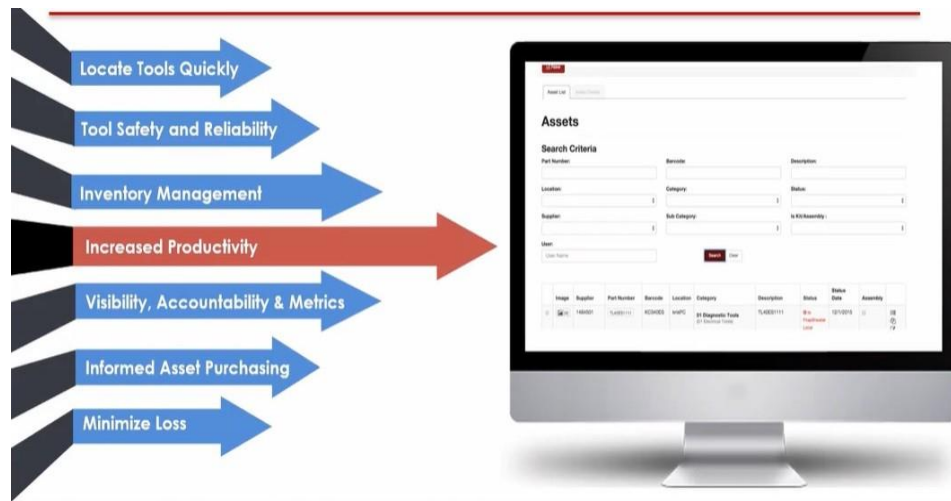
- **Informed Purchasing Decisions:** Optimize inventory levels to avoid overstocking. Use ToolHub's usage data and reports to guide purchasing decisions and maintain lean inventory.

- **Metrics and Reports:** Gain valuable insights into your toolroom inventory, usage, history, and costs. Generate custom reports to identify trends, optimize operations, and make data-driven decisions.

Never worry about your tools again!

ToolHub offers a comprehensive solution that includes software for easy monitoring and control, hardware options for different needs, training to get you started quickly, and dedicated support for ongoing assistance.

It is versatile and supports manned and unmanned toolrooms of any size and type, including trucks and containers, as well as secured toolrooms with integrated access control.



About ToolHub

ToolHub is the only scalable toolroom inventory management solution designed to work with varying technologies to complement existing organizational infrastructures. For enhanced asset control, ToolHub is the complete solution for toolrooms of any size or location at companies, large and small.

To learn more about how ToolHub can help improve your toolroom, please visit toolhub.com/jd-home or contact us via email: info@toolhub.com

ToolHub is a product of Canam Solutions USA, Inc.

