

Executive Summary: Findings from the Power Equipment & Motorsports Survey for 2005

March 2005

***PREPARED FOR THE
Business Training Center
Lake Washington Technical College***



LAKE WASHINGTON TECHNICAL COLLEGE

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STEVEN M. BANKS



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Business Training Center Lake Washington Technical College

Mission

Our mission is to be the Center for those who seek higher educational standards by offering workforce development opportunities related to LWTC's certificate and degree programs through non credit, supplemental credit, customized training and nontraditional enterprises.

Vision

To cultivate resources for LWTC by bringing high-quality, relevant workforce development offerings to the intersection of business, industry and the community.

Components of the BTC

- Extension courses of college programs
- Customized training
- Distance Learning
- Community campus

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- ◆ The Staff of the BTC Offices
- ◆ Bob Monroig, H-DU Coordinator/Faculty - PEQT
- ◆ The Staff of Power Equipment, Marine & Motorcycle Department

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Description of Surveyed Dealerships

The dealerships surveyed were asked questions to determine the size and depth of the dealership and its workforce. The survey population ranged from small shops that solely service motorcycles to full service multi-vendor dealerships, from as little as five employees to forty-five employees. The survey population chosen was primarily from Western Washington area and consisted of motorcycle stores and dealerships. Completed survey questionnaires were received from nine out of the fifteen possible for a response rate of 60 percent.

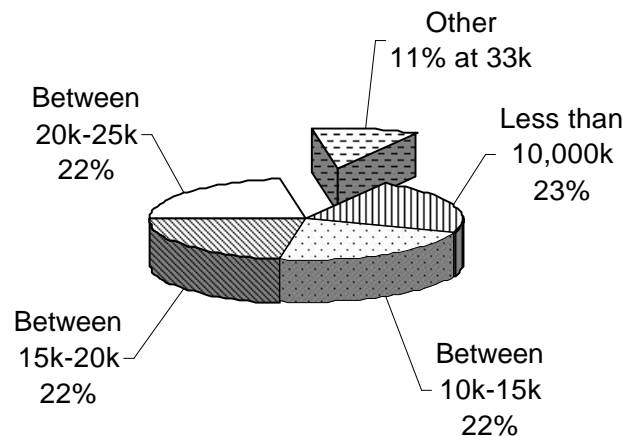


Figure 1. Square Footage of Store/Dealership in Thousands (n=9)

Total Number of Employees?

Total number of employees was in correlation to the square footage the respondents reported for their given store/dealership. The number from all of the responses averaged out to 17 employees per store/dealership. The data below shows the actual numbers per respondent.

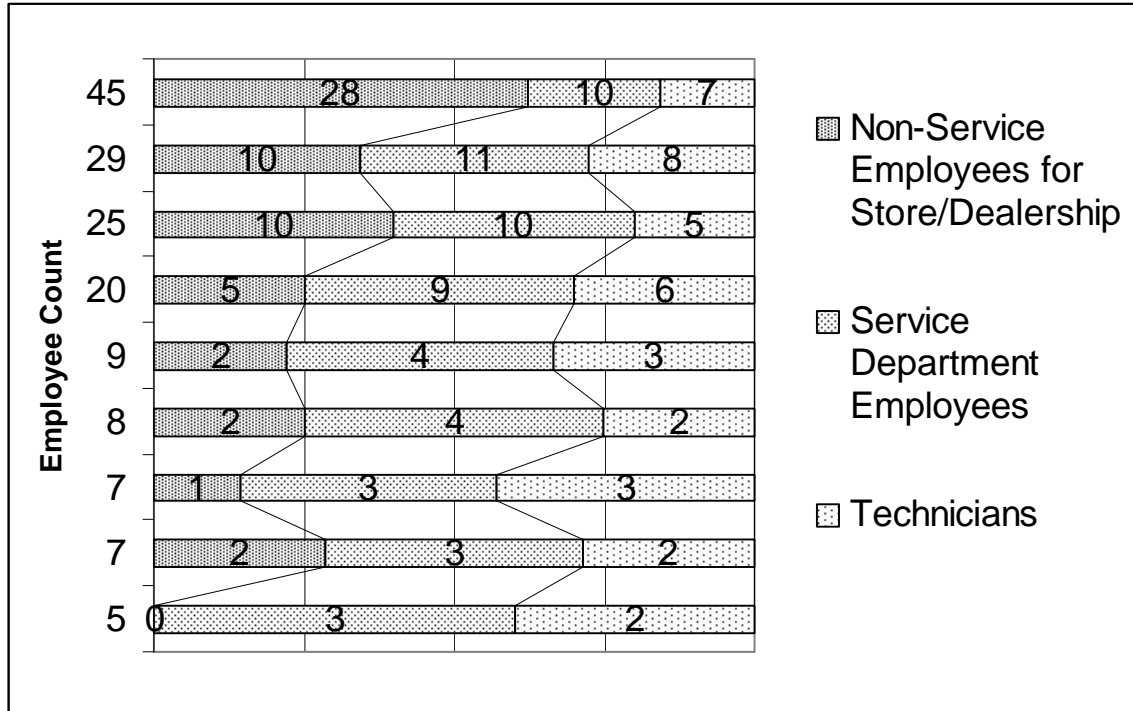


Figure 2. Total Number of Employees at Store/Dealership broken down into how many in Service Department and how many are Technicians (n=9)

Number of Service Department Employees?

The people surveyed supplied their own numbers for this question. While the average was 6.3 Service Department employees, the numbers are also in line with the previous question representing the “Total Number” of employees. The respondents stating 20 or above total employees respectively listed 9 to 11 Service Department employees. Please see Figure 2 above.

For all Service Department employees, how many of those are Technicians?

The average was 4.2 Technicians. The numbers were again in line with the previous question reflecting stores/dealerships with 9 or more Service Department employees showing higher numbers of technicians ranging from 5 to 8. Please see Figure 2 above.

How many Technicians do you hire within a year?

This question was multiple choice working with these ranges: 1-2, 2-4, 4 or more, and *Other...* (*Other* was defined “*As Needed*” by the survey population response).

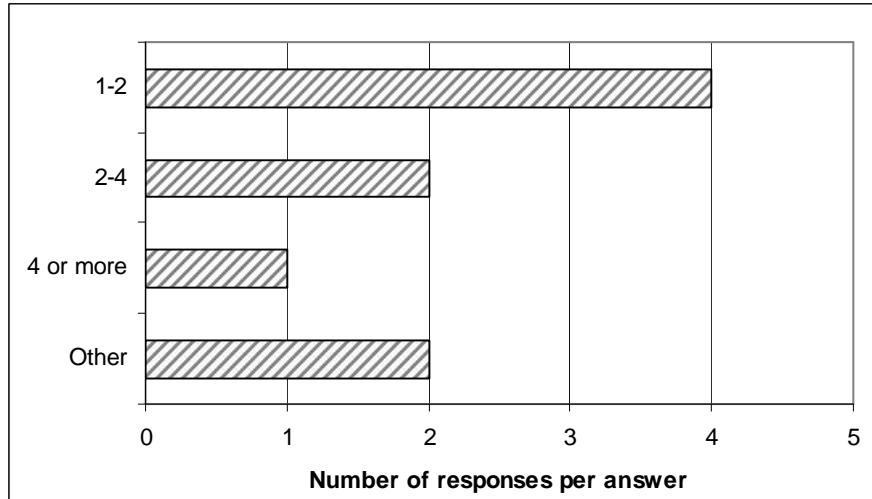


Figure 3. How many Technicians hired in a year (n=9)

What is the turn over rate per year for Technicians at your store/dealership?

A multiple choice question with the responses ranging from 1-2, 2-4, 4 or more, and *Other*.

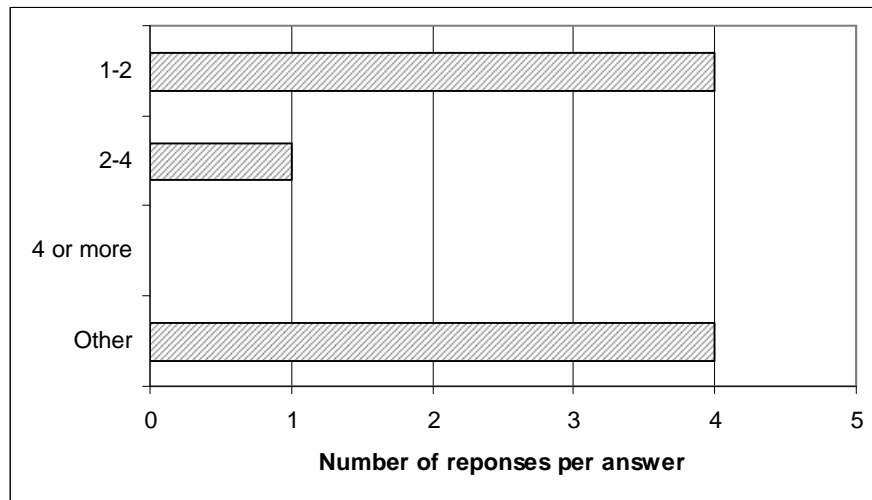


Figure 4. Turn over rate of Technicians in a year (n=9)

The responses to *Other...* resulted in the following figures ranging from:

- 0-1
- None in the last six years
- One per five years
- Usually less than one per year.

What is the average pay scale (per hour) for these Technicians at the entry level?

This question and the following two questions use terms Entry level, Journeyman, and Master. These terms are selected to offer a level of ability when answering these questions. Not all stores/dealerships use this exact terminology. Multiple choice questions as shown below. One respondent answered *Other...* “Depending on tools/ ability \$15+”

Entry Level Pay Scale	No.	%
Equal to or less than \$8 an hour	0	0
Between \$8-11 an hour	6	67
Between \$11-14 an hour	2	22
Other, please specify	1	11

Table 1. Entry Level Pay Scale

What is the average pay scale for Journeyman Technicians?

A Journeyman in this industry is a Technician who has past the entry-level skill set and is on their way to achieving their Master Technician status. One respondent answered *Other...* “Between \$12-16”

Journeyman Level Pay Scale	No.	%
Between \$10-15 an hour	1	11
Between \$15-20 an hour	3	33
Equal to or greater than \$20	4	44
Other, please specify	1	11

Table 2. Journeyman Level Pay Scale

Pay Scale for Master Technician?

Master Technician pay scale was an open ended question and averaged \$21.80. The individual results are as follows:

Number of respondents	Pay per hour
3	\$25.00
2	\$22.00
2	\$20.00
1	\$19.00
1	\$18.00

Table 3. Pay Scale for Master Level Technicians

Does your store/dealership use a Flat Rate pay scale for Technicians?

“Flat Rate” pay is based on time. A manufacturer publishes flat rate books describing the time it takes to perform a certain task. Some stores/dealerships use flat rate as an incentive to help enhance productivity while minimizing staffing and overall labor costs. Flat rates are typically always used when working with warranty issues.

Of the population asked this question, 44% responded they do use a flat rate system while 56% responded they do not use a flat rate system.

If the answer to the question above was "Yes"... at which level does Flat Rate take effect?

Of the four that responded affirmatively on the previous question, they specified:

- When a Tech and Service Manager feel confident enough to benefit
- Applied when Technician specifies
- At a point we determine Tech is ready and Tech decides they are ready
- When Service Manager feels the time is right, first time flat rate technicians almost never feel confident when transferring so it's not left up to them

What is the governing factor or incentive to place a Technician on Flat Rate?

This open ended question garnered six responses as follows:

- Skill and efficiency
- Increased work output, no cost to store if they aren't productive
- To make more profit for the Tech and the company
- Incentive to work smart. Flat rate can result in an effective pay of about 20-25/hr for a Technician
- Profitability

Is your store/dealership's need for skilled Technicians being met?

Five respondents stated that their needs for Technicians are *not* currently being met. Four respondents stated that their needs for Technicians *are* being met.

How is that need being met?

This question was a multiple choice, "Choose all that apply..." format with predefined choices represented in Figure 5 below.

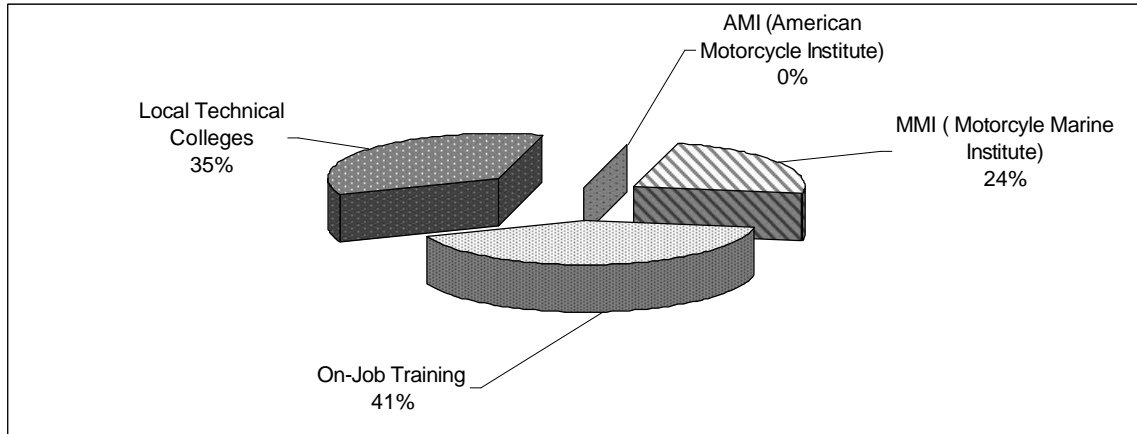


Figure 5. How is That Need Being Met (n=9)

Other, please specify... answers as follows:

- Experience
- Not being met
- Manufacturer training offered through dealer
- Manufacturer training online, in store and at their facilities
- BMW training

How are you getting Technicians into your store/dealership?

This question used a ranking scale. Using number "1" as the most common method for obtaining new Technicians. From the nine respondents the findings are averaged and ranked as follows:

Predefined Choices	Ranking
Referrals from Employees	1
Walk-ins	2
Ad Responses (news, web, trade journals)	3
Recruitment Technical Colleges National Schools	4

Table 4. How Are You Getting Technicians Into Your Store/Dealership

How would you rate the skills of these new Technicians?

The question was multiple choice, the choices were Below Average, Average, and Above Average. 44% stated the new hires were Average. 33% stated these new hires were Above Average while 22% experienced Below Average skill sets within the new hires.

How important is Apprenticing/Internships to your Service Department and the development of your entry level technicians?

Of the respondents 33% deemed Apprenticing and Internships as Very Important, 33% felt it was Important, 22% were neutral on the subject, and 11% felt it was Unimportant.

How would you describe your supply of technicians?

Predefined Choices	Response Percentage
Have more work than Technicians	56%
Our ratio between work & Techs is perfect	22%
Have more Technicians than we have work	0%
<i>Other, please specify...</i>	22% 1. Somewhat seasonal - Today - more techs than work, next month it will be more work than techs. 2. During the season we have more work than techs, off season we have more techs than work. Off season we accept OLD bikes, pre 1990 just for the work.

Table 5. How Would you Describe your Supply of Technicians

Do you have performance indicators for your Technicians?

All participants responding have some form of performance indicators in place. In this “Check all that apply” question the results are as follows.

Predefined Choices	Response Percentage
Yes, using personal observation of Tech over time	78%
Yes, using Dealer Management System (LightSpeed, etc.)	78%
Yes, using manufacturer based competencies/tests	44%
<i>Other, please specify...</i>	33% 1. Internal time card and Repair order monitoring 2. Time tickets as per flat rate 3. Efficiencies

Table 6. Do you have Performance Indicators

What are your basic requirements for entry-level Technicians?

89% chose “Basic mechanical principles” and “A strong desire to want to learn” as the most popular requirements. “Just a strong desire to work in the Industry and a person “having a motorcycle endorsement” came in with 78% response percentage.

44% reported “GED,” “High School Diploma,” “Experience in Industry,” and “2 & 4 cycle engines” as being basic requirements. 22% said “Technical College Certificate/Degree” as a basic requirement, while 11% put “Some college” and “Manufacturer specific knowledge” in last place of importance. The remaining 22% were write-ins, “Good attitude to fit into out team” and “Cleanliness, professionalism, courtesy”

Is there anything else you'd like to share regarding the ease or difficulty you have had in finding qualified technicians and/or ways in which LWTC can assist the industry to this regard?

- Experienced Techs are usually in short supply. Techs from schools are available. Mostly I get applications from people who have no experience or training but worked on their own bikes in the past and they feel they could be a Tech.
- People skills and professionalism are very important to us.
- This industry doesn't pay well, beginning Techs are discouraged when they discover what I can pay them.
- We have had varying periods of looking for Techs and seem to have at this time an abundance of applications. However this may change as many of the applicants find employment.

Did you know that LWTC offers classes “customized’ to your specific needs?

All of the participating respondents answered “No” to this “yes or no” question.

What additional training would you like to see from LWTC, either professional development for employees or enthusiast-level to help support your Customer?

This question was a predefined multiple choice question.

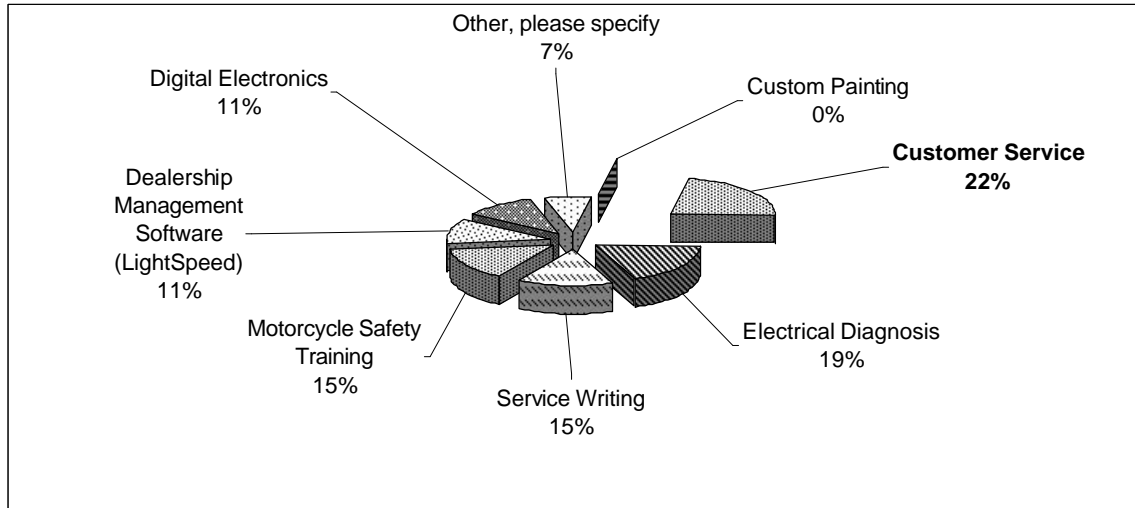


Figure 6. What Additional Training would you like to see from LWTC (n=9)

The choices represented as most popular by the survey population are reflective of Service Department needs and do not necessarily reflect the needs of a store/dealership as a whole.

“Chemical exhaust gas analysis” was one topic of training that came in under “Other...” along with this comment, “With 7 product lines we have lots of materials and options already available for training.”

Final Notes

- ◆ This report demonstrates that more marketing and communication needs to be established between LWTC, the industry, and individual store/dealerships as a whole. This communication should be ongoing and continuous throughout the year in order to keep LWTC in the forefront of stores and dealerships looking to hire new employees and train their current employees.
 - The data shown in *Figure 5.* and *Table 6.* on page 6, shows that the majority of store/dealerships are getting their Technicians through employee referrals and getting them trained via on-the-job experience. Different conclusions can be drawn from this data.
 - Local Technical Colleges are not being considered as a provider of Technicians for the local industry.
 - The approach used by the store/dealership could be considered a “keep-it-in-the-family” tactic. Hiring people who are friends or colleagues of current employees, regardless of experience might suggest a certain level of camaraderie.
 - Hiring people with a “desire” yet no “training,” would allow for a store/dealership to hire at a reduced rate compared to a graduate from a local or national school.
 - Regardless of the conclusions that one may draw from this data, it is paramount that these stores/dealerships become familiar with the quality of Students that are enrolled and graduating from the LWTC program.
 - We have talked about “Apprenticing and Internships.” In an effort to take this to the next level we might look to Experiential Learning in a clinic setting. Apprenticing and internships implies receiving pay for the work being performed. If we approach this training using experiential learning principles with preceptors in the dealerships, we can then place Students in the dealerships as part of their training, receiving grades for that training at no cost to the host store/dealership per Student. The participating store/dealership would pay the technician acting as preceptor an additional bonus for the time involved. This could be one way for a store/dealership to become a Partner of the college. This concept would also work very well with the school year and the industries seasonal work flow. This is also a great way to get Students into the stores and dealerships.
- ◆ The survey also shows that soft skills are important to the employer. Professionalism, Customer Service, Courtesy, Attitude, and the ability to work in a Team oriented environment came up often in the survey and conversations with the survey population.
- ◆ The findings of this report are specific to Service Managers. To get a better understanding of the workforce it is essential that we solicit information from the Student or New Hire population itself within the current workforce.

Appendix

Survey Population in Alphabetical Order

Bellevue Kawasaki

Destination Harley-Davidson

Downtown Harley-Davidson

Enumclaw Suzuki/Kawasaki/Yamaha/Polaris

Hinshaw's Motorcycle Store

I-90 Motorsports

Kent Kawasaki

Lake City Powersports

Lynnwood CycleBarn

Moto International

RideWest BMW

RMC Renton Motorcycles

Tacoma Motorsports

University Honda

Waldron Kawasaki / Arctic Cat