

Lubricar, Inc.
Direction for 2022
Established at DM Retreat

This document summarizes the goals that we established at the district managers retreat and provides very clear direction for the Company. We will start with a Mission statement,

**Lubricar provides the highest level of Quality
Convenient automotive service.**

When executed properly, our mission statement will ensure the profitability and long-term viability of Lubricar

We spent a considerable amount of time and energy working out our mission statement. Each phrase has a very specific meaning. Everything that we do each day for and on behalf of Lubricar Inc. must relate to some aspect of our mission statement. If we are doing anything that cannot be related to a specific portion of our mission statement, then we need to question why we are doing it. We will start by defining what the mission statement means.

The first phrase, “Lubricar Inc. provides the highest level”. This means that we are number one in every market that we enter. It means that our employees are the best-trained and motivated employees in the industry. It means that customers that enter our facilities will experience a WOW every visit. Service procedures are executed precisely. The facility is neat, clean, and well organized. Proper facility maintenance is consistently performed. The employees have all the tools that are required, properly organized, to meet their objectives. We provide “extras” to our customers that they are not expecting.

Quality. Each interaction with the customer leaves both the customer and the company in a better position. We are completely honest in everything that we do. We perform each service using established J Team Service Standards (JTSS) to meet Operational Excellence standards. We correct any mishap in a timely and appropriate fashion. We smile and are courteous to every internal and external customer. We are conscientious about our staffing levels and strive to maintain a sufficient and efficient level of staffing.

Convenient. Our service is performed as fast as possible never sacrificing quality using established procedures. We maintain sufficient trained staff to ensure that wait times are minimized. We provide every customer with a complete service review to ensure that the customer is completely informed as to the maintenance requirements of his/her vehicle. We provide a “one stop” service center for all fluid maintenance requirements. The management staff works through the Manager to effectively ensure precise execution of procedures.

Service. In addition to providing fluid maintenance we provide other limited mechanical services, such as Brake repair, Shocks and struts replacement, spark plug replacement, etc. We limit the

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services that we will provide to a specific list of approved services. Our objective is to provide the customer with outstanding service on items that we can efficiently, competently and profitably perform. We ensure that every customer's vehicle is 100% maintained or the customer is 100% informed.

Though not specifically mentioned, the mission statement requires that Lubricar Inc. is profitable. If executed properly, our mission statement will ensure the profitability and long-term viability of Lubricar.

Our core Values are:

TRACK

Trustworthy - Honesty, No Surprises

Respect – for employees and customers

Accountability – Customers, Employees and Company.

Convenient – Problem solving, speed, make the process as smooth as possible

Knowledgeable - Expert and Professional

Our motto is **Fast, Trustworthy, Knowledgeable, Every time, Everywhere.**

Our Big Hairy Audacious Goal (“BHAG”) is: Lubricar will maintain a **Profitable customer count increase.** This means that every decision that we make will have as its core objective the idea of the BHAG.

We have established five key Roles that we track to ensure that our mission statement is being achieved.

Customer Count Increase, Ticket Average, Tire Rotation, Google Star Rating, Labor Percent of Sales.

Each of these Roles tracks back to the mission statement.

Customer count Though other factors can affect customer count that are beyond the control of the service center, i.e. increased competition and changes in traffic patterns, we have seen time and again that if a service center is working at WOWing the customer and performs all other aspects of our service at the highest level, then the service center will retain its current customers and will increase the number of total customers. Customer count increases are an excellent indicator as to the overall service level being provided by the service center. Every location is constantly looking for ways to increase customer counts. Employees at each location should be asking what we can do ***every day, every moment*** to increase our customer count. Store level competition is used to motivate additional efforts in this area. Lubricar fosters daily awareness of the change in customer count. Upper Management will focus on a comprehensive marketing strategy that will help increase customer count through targeted discounting.

This is the BHAG

Ticket Average Our Customers rely on us to help them protect the investment in their vehicle. We strive to perform and present a complete inspection and service review to every customer to keep them thoroughly educated as to the status of their vehicle. TA is a direct function of how satisfied the customer is. Customer Satisfaction surveys have shown that a more satisfied customer will spend more money. A completely informed customer will also gain a higher degree of trust and will desire to keep his/her vehicle properly maintained, thus purchasing more of our products and services. There are 4 categories of Service Centers (SC) based on available equipment: SC's with more than 2 2-post lifts, (Goal is \$155), SC's with 2 or Less 2-Post lifts doing tires (Goal is \$120), SC's with 2 or Less 2-Post lifts not doing tires (Goal is \$115), and Multicare SC's without a two post lift (Goal is \$110)

Tire Rotation Tire rotations are recommended by most manufacturers every oil change. Rotating the tires allows us to more fully inspect the vehicle and ensure that the vehicle is properly maintained, or the customer is fully informed. Asking the proper question of the customer during the initial conversation is the key. The goal is 15% of Signature Service Oil Changes

Google Star Rating We use Podium to interface with our Customers and to ask for Google Star ratings. Our Goal is 4.6.

Labor Percentage of Sales This tracking aspect requires us to maintain efficiency with our labor. Each labor dollar spent must produce the maximum amount of customer satisfaction/revenue. This is an excellent monitor of efficiency when watched in connection with the Google scores and other quality gauges. We use a labor scale based on revenue level for the individual store to track the goal

Service center Level Profitability The net income before G&A is the measure we use to monitor the overall performance of the service center.

Managers have the most influence over profitability for their service center. Their compensation plan is based directly on the Net Income before G&A generated by their service center.

Operations Managers, District Managers, Managers, Assistant Managers, Customer Service Advisors, Techs, Cashiers and Office Staff are provided additional compensation depending on the performance of the Company, District or Service center in each of the Five Roles. The compensation is also based on the Net Income generated by the Company or service center. Thus every employee is motivated to perform well in each of the Five Roles.

Using the mission statement, the Core Values and the roles and goals that have been identified above, we need to set plans weekly to accomplish the goals and roles. Every day we need to be focusing on those things that will force us to improve in the areas that will allow us to be successful. We have spent a good deal of time putting together an outstanding plan, now **let's execute**.

Richard Jones,
President/CEO

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