

# Warranty Matters



General Motors Edition



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## Emphasis on PDI

Last month, GM's South Central Region issued a reminder to GM, Saab, Hummer and Saturn dealers regarding Pre-Delivery Inspection with emphasis on the impact a proper PDI has on Initial Quality Survey (IQS) results. These surveys are mailed to new buyers after 90 days of ownership and the publicly available records affect customer purchasing decisions. This is not only a reflection of the vehicle's initial quality, but also of your store's workmanship.

*Warranty Matters* has learned that AVMs have been instructed to spot-check new vehicles in dealer inventory to insure PDI standards are being met and non-compliance could result in the debit of PDI payment. Many manufacturer reps already conduct PDI "audits" on a fairly consistent basis.

Specific items noted in the initial bulletin 03-00-89-006C are:

**Tire Pressure**—Tire pressures (including the spare) are not properly set during assembly and are typically higher than GM recommendations to insure proper tire seating. Tire pressure should be reset according to the tire pressure placard—not the pressure noted on the tire sidewall. Tire placards may be located in one of several places on the vehicle.

**Battery Check and Charge**—Hopefully, the battery state of charge was checked at time of vehicle delivery to the dealership. Batteries that do not show a "green eye" upon receipt should be charged and a Transportation Claim submitted for this service (N0100). If the battery is defective, it should be replaced and a regular warranty claim (N0110) submitted for replacement.

More importantly, once the vehicle is in dealer inventory, it is the dealer's responsibility to insure the battery charge is maintained. Undercharged batteries will tend to fail, particularly in sub-freezing temperatures. According to GM policy, batteries should be charged every 20 - 45 days. Lately, we've seen dealers using the solar chargers available at aftermarket part stores for this purpose. In most cases, the New Car Department assumes this responsibility.

**Interior Glass Cleaning**—This was a new one for us and perhaps for your New Car Department Clean-up Crew as well, but GM recommends that interior glass on a new vehicle should *only* be cleaned with plain (clean) water. New vehicles will deposit a film on the inside of glass and commercial glass cleaners can actually make the condition worse, according to GM.

**Fuel Economy Reset**—If equipped with fuel economy display, the reading will be compromised because of the assembly line process, which requires varied driving conditions on a closed lot. Readings can also be affected by driving conditions while in dealer inventory and should be reset prior to delivery.

**Compass**—Just because the compass in the rear view mirror or Driver Information Center might be registering a direction, don't assume it is correct, as the geographic zone must be calibrated.

**Wiper Blades**—Wiper inserts should be cleaned with Optikleen®, or equiva-

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- *GM wants improvement on Initial Quality Surveys*
- *AVMs will be conducting spot-checks of dealer inventory*
- *The bulletin should be shared with your Get-Ready department and technicians*
- *Top scoring dealers take some additional steps to insure high IQS results*

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lent to reduce wiper chatter. This is a simple and effective procedure to avoid one of the most annoying complaints from a new owner.

**OnStar® Connectivity**—OnStar® operation is supposed to be verified at the assembly plants, but apparently not all plants can connect due either to their location or other interference, therefore, dealers should perform a connectivity check during the PDI process.

**Steering Wheel, Seats and Interior Trim**—From our own past experience, GM receives a lot of trim replacement “warranty” claims on relatively new vehicles where trim pieces have been cut. Typically, this happens when the Get-Ready guys pull out their razor knives to speed the delivery process. GM knows this and will often request those parts for inspection—and ultimate debit.

**Exterior Protection/Vehicle Storage**—Although we rarely see it done, GM recommends that the protective sheeting and door edge protectors be left in on the vehicle up to the time of customer delivery, “*except for vehicles on prominent display.*”

Most sales managers feel not removing the protective sheeting detracts from the appearance of the vehicle (we must admit, a lot full of vehicles with white plastic isn’t too appealing) and instruct the Get-Ready department to remove sheeting. But, the downside is removal of the sheeting or door protectors could increase the possibility of lot and/or acid rain damage.

## ***Enhanced Empowerment Clarification***

After last month’s article regarding the Service Manager’s Enhanced Empowerment Program, we received a call from GM to clarify claim coding information addressed in that editorial.

As we noted in that piece, GM had been somewhat reluctant to discuss detailed specifics of the program, citing corporate/dealer confidentiality. Because of this, we were bound to obtain information from service managers who had attended the meetings.

Once GM realized we’d brought up legitimate dealer concerns and were only trying to assist our readers, we were ultimately contacted and offered an open dialogue to discuss the program.

While the article was about 99% accurate, one issue concerned how to code non-warranty (policy) claims *beyond* the Bumper-to-Bumper coverage. Our original instruction was to use the corresponding labor operation from the Labor Time Guide (instead of the Z7091) since these claims

Although not listed in the latest VSS message, we’ve also noted some steps top-performing dealers take to improve Initial Quality Surveys.

**PDI Process is Taken Seriously**—While this might seem like a “no-brainer” to most, the fact is that PDIs are sometimes looked upon as something that anyone can do. One manager we used to know referred to them as “hub cap slaps,” and the entire staff took little interest in a proper inspection.

Those with high IQS take the process seriously and limit them to technicians that share that belief.

**Spot Check**—Save yourself the embarrassment (and possible PDI debit) of having your AVM tell you what’s going on inside your own department by performing periodic spot checks of PDIs. It only takes a couple times of sending one back to a tech for everyone to know that you are looking, and serious.

**Dealer Trades/Old Age Inventory**—How many times have you tried to find a vehicle to PDI, only to learn the sales department had dealer-traded it before you had a chance to inspect it? It happens quite often and there is a strong possibility the dealer trade you just received was never PDI’d at all.

For some strange reason, the longer a vehicle sits on your lot, the more things like cigarette lighters, antennas and floor mats seem to come up missing. It’s a true mystery, but it happens every day.

Old inventory and dealer trades should be re-inspected before delivery to the customer.

do not affect Cost Per Vehicle Serviced numbers.

We initially, of course, questioned that logic from an accounting standpoint. Additionally, the use of a standard labor operation could trigger the Warranty Parts Center to initiate a part return request, whereas “Net Item” parts are not requested for return.

Regardless of whether the vehicle is within, or beyond BTB warranty, the same rule applies:

- Assuming you are certified to utilize the program, only non-warranty (policy repairs) should be submitted using Z7091.
- If the repair would have been warranty otherwise, but is now beyond either time or mileage limits (e.g., goodwill), you are to use the regular labor operation from the LTG.

We hope this clarifies this matter and appreciate the cooperation of those directly involved in the program.

## GM Certified Changes

GM updated the GM Certified Used Vehicle Operation Guide in September of this year and posted the revised guide on [gmdealerworld](http://gmdealerworld.com) last month.

The revised guide can be located (and saved to your PC) by following the “News & Information” link and scrolling down to “Publications,” then click on “GM Certified Operations Guide.”

Significant changes in the guide were noted in message VSS20050648 and include:

- 2006 Certified Buicks will have extended warranty coverage of 51 months or 53,000 miles. This coincides with the increased 48 month/50,000 mile factory coverage announced earlier this year.
- Although this message says: “Rental coverage for 3/3 GM Warranty will pay \$35 per day and a

maximum of \$175 per visit,” this passage is confusing and refers only to those vehicles that were purchased after expiration of the Bumper-to-Bumper warranty and carry the GMPP Certified Used Vehicle coverage. In the case of a parts delay, this coverage can be extended to a maximum of \$280 with prior approval from GMPP (this information is not provided in the VSS message).

Certified Used Vehicles purchased *within* BTB warranty carry the same rental coverage allowances and policy as any other vehicle within BTB coverage, even when within the extended (39 month/39,000 mile, or 51 month/53,000 mile) factory coverage.

Genuine GM oil filters, brake pads, transmissions filters and air filters must be used, if required, during the certification process.

## New Web Page for Subscribers

Warranty Matters is pleased to announce the addition of a “Subscriber Only” section to our website [www.warranty matters.com](http://www.warranty matters.com).

In addition to the information already available to the dealers, subscribers to this newsletter now have access to all current and previous *Warranty Matters* newsletters (dating to June 2003) along with specialized warranty administration forms including: Schedule Adjustment, Goodwill, Shop Comeback, Repair vs. Replace, GM FleetTrac, GMPP/MRP and Oil Consumption.

We have also included Warranty Coverage Charts, Retail Part Warranty Charts, Lifetime Service Guarantee Charts and a Battery Replacement Matrix.

*Warranty Matters* will continually add useful forms,

charts and current newsletters to this page so you will have access to this information no matter where you are. As always, we appreciate your input and welcome your thoughts and suggestions.

We have provided your unique user name and password as an attachment to this newsletter. To access the secured area, simply go to our website [www.warranty matters.com](http://www.warranty matters.com), click on the “Subscriber Only” tab from the left side navigation bar, click on an item you want to view, type in your user name and password and enjoy the unlimited access to these helpful warranty administration tools.

If you should lose or forget your password, drop us an email to: [sales@warranty matters.com](mailto:sales@warranty matters.com). The password will change periodically and subscribers will be notified.

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## The Money Game

Recently we've seen some trends in fixed operations profitability that are being promoted by 20-Groups and wanted to pass them along to readers.

First, we are seeing more and more service departments billing shop supplies to internal repair orders. The logic follows the same reason they are billed to customer pay repair orders—to accommodate for those parts that may be used, but not readily billable. 20-Groups have always recommended that internal sales should reflect retail practices and this will add somewhat to the service department's bottom line without breaking the bank of the used car department.

The second trend is to bill the dealer license plates (and hardware) on an invoice as they are used, charging them to the cost of the unit, rather than billing them all at once to the new and used car departments.

According to Vance Moore, dealer principal of Freeman-Moore Mazda in Hattiesburg, Mississippi, this practice will actually save money and provide another profit opportunity for the parts department. Instead of having the license plates just lying around all over the dealership, they are issued as needed and installed during PDI or used car inspection/certification.

According to Mr. Moore, "Before we started doing this, it seemed like we were buying license plates every time I turned around. Now, I know we are only buying and paying for what we use." Given the fact that the sales department pays for the plates anyway, it only makes sense to see that they are billed to the unit as they are used.

## The Back Page



Traveling and going in as many dealerships as I do on an annual basis allows me to see some of the strangest things.

Last month I was in a dealership for the specific purpose of training the parts manager to be the parts and service director. This wasn't the first time I'd done that, and usually it works out pretty well—but not this time.

After one day of seeing how this guy treated customers, it was dreadfully clear that he lacked even the minimal skills to deal with a demanding customer.

After all, how many irate customers does a parts manager see in his career? I've never seen any stats on the subject, but it'd be a safe bet to say they don't see ¼ of them as the average service manager does.

Let's be honest, even if the parts department was the one that screwed up, it's the service department that usually fades the heat, while the parts people retreat to the safety of their "comfort zone," somewhere behind the parts counter.

During the morning of the second day, I was meeting with the dealer principal to discuss our other options, as it was my opinion this guy wasn't suited for the job.

In the middle of this meeting, there came a knock at the door. It was the store's F&I manager. She apologized for interrupting,

but said, "I though you'd want to know the police are out here!"

"Police? For what?" asked the dealer. "The parts manager just called them on a customer," she says.

As it turns out, the service department had this guy's vehicle in their shop for a couple of days. They'd replaced an aftermarket alternator (purchased from a Mom & Pop armature shop across from the dealership) about a month before. Only problem was, the shop owner was ill and the business was temporarily closed. Instead of just handling the situation by getting another alternator, the parts manager was stalling until the owner reopened the business!

All this guy wanted was a loaner since he'd already missed 2 days of work. The parts manager apparently thought it was an outrageous demand. What? Us spend \$25 so this customer could go to work? How stupid can you get?

Once the dealer got involved, you know the outcome—the customer drove away in a loaner car and they got an alternator from NAPA and fixed it that afternoon. Simple.

You'd think this manager learned a life lesson, but alas, 3 days later he was still defending his action, saying he'd do it all over again. Well, maybe not at this dealership, but the next one he's working at.