AUTOMOTIVE TECHNOLOGY

COURSE SYLLABUS

AUT 435 – 3 CREDIT HOURS, SECTION 001
SPRING 2015
AUTOMOTIVE FINANCIAL MANAGEMENT AND OPERATIONS

FACULTY:
Instructor: Michael (Mike) B. Behrmann
Address: Southern Illinois University Carbondale
          Automotive Technology
          Mail Code 6895
          Carbondale, IL 62901
Office: Room 166C, Transportation Education Center
        Southern Illinois Airport
Phone: 618-453-4024
E-mail: mbehr@siu.edu

OFFICE HOURS:
I maintain an open office policy and am available to meet whenever possible. Each workday, I am typically in my office unless I am attending a meeting, touring guests, at other locations at the TEC, or off campus on work assignments. If a student wishes to meet, please contact me as soon as possible. If an urgent matter arises, and I cannot be found in my office, the department administrative assistant will be aware of my schedule.

If you are emailing me or leaving a message, please remember to provide background and contact information.

AUTOMOTIVE TECHNOLOGY MISSION STATEMENT:
The Department of Automotive Technology provides an educational environment for students to acquire professional, research, and technical skills necessary for success in the automotive industry and other related industries. The faculty conduct applied research in automotive fields and provide service to the community.

COURSE DESCRIPTION:
This course will provide insight into automotive dealership business management with emphasis on application to daily work. Studies will focus on interpretations of financial statements and on business management techniques essential to successful dealership operations. Not for graduate credit.

PREREQUISITES:
None

PREREQUISITE TO:
None

COURSE OBJECTIVES:
The course will provide the student with an opportunity to:
1. Develop fiscal management skills used within the retail and wholesale automotive industry.
2. Identify marketing opportunities and processes used within the retail and wholesale automotive industry.
3. Develop analytical and reasoning skills used in management of retail and wholesale automotive industry fixed and variable operations.
COURSE SCHEDULE:
Section 001  T and R  9:35 A.M. to 10:50 A.M.
Room:  TEC 132

REQUIRED TEXTBOOKS AND MATERIALS:
1. Binder to accommodate approximately 2 inches of materials. Materials will be provided via D2L or provided to the student.
2. Class Packet materials will be available on D2L and students are expected to print, bring to class, complete and maintain these materials in the course binder. Printing is not to be utilizing University resources.

REFERENCES: (Not Required)
   Note: This text may be difficult to obtain through many of the traditional bookstores since it is from a consulting firm and not a book publisher. Students may find it used on-line at sites such as Amazon. Students may also be able to order it directly from the consulting firm at: https://fixedoptools.com/


   Note: Both of the above references represent the University’s and the College’s standards for written academic works. The Little, Brown Compact Handbook is a writing and grammar reference. If a student has other appropriate references to accomplish the same task, purchase of this text is not required. If the appropriateness is in question, please ask your instructor.

   The American Psychological Association (APA) manual is an editorial style manual that consists of rules or guidelines to help the writer develop a clear and consistent document through common use of punctuation, abbreviations, tables, headings, citations, and many other elements.

   The APA editorial style is widely accepted for academia writing. However, the focus of this class is to prepare individuals for the automotive business environment. For that reason, all writings in this class will follow normally accepted business style guidelines that the instructor will share with the students in class.

   The use of the APA system of citations in written text and any accompanying reference list will however be followed. There are numerous online resources available to assist the student in the proper application of APA citation such as:

   http://owl.english.purdue.edu/owl/resource/560/01/
   http://www.apastyle.org/
   http://www.indiana.edu/~wts/pamphlets/apa_style.shtml

   If a student has other appropriate references to accomplish the task, purchase of this text is not required. If the appropriateness is in question, please ask your instructor.

REQUIRED EQUIPMENT:
Calculator (Does not need to be a scientific calculator. A very simple, inexpensive calculator will be fine.)
### TOPICAL OUTLINE:

<table>
<thead>
<tr>
<th>Topical Course Outline</th>
<th>Tentative % of Time</th>
<th>Related Sections from Class Packet</th>
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</thead>
<tbody>
<tr>
<td><strong>I. New Vehicle Dealership Operations and Financial Performance</strong></td>
<td></td>
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<tr>
<td>A. Dealership operations and financial overview</td>
<td>20</td>
<td>A &amp; B</td>
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<tr>
<td>B. Dealership financial statement</td>
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<td>C. Dealership business life cycle and profitability profile</td>
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<tr>
<td><strong>II. New Vehicle Dealership Financial Statement Analysis</strong></td>
<td>15</td>
<td>A &amp; B</td>
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<tr>
<td>A. Receivables analysis</td>
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<td>B. Capital analysis</td>
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<td>C. Variable operations analysis</td>
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<tr>
<td>C. Fixed operations analysis</td>
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<tr>
<td><strong>III. Automotive Dealership Expense Analysis and Control</strong></td>
<td>15</td>
<td>C</td>
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<tr>
<td>A. Categories</td>
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<tr>
<td>B. Proration</td>
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<tr>
<td>C. Analysis</td>
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<tr>
<td>D. Absorption</td>
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<tr>
<td>E. Control</td>
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<tr>
<td><strong>IV. Automotive Fixed and Variable Operations Gross Profit Control</strong></td>
<td>15</td>
<td>D &amp; E</td>
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<tr>
<td>A. Objective management framework</td>
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<tr>
<td>B. Service time and technician performance measurements</td>
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<td>C. Service advisor performance measurements</td>
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<tr>
<td>D. Controlling factors in performance</td>
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<tr>
<td>E. Extended service hours and days</td>
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<tr>
<td><strong>V. Automotive Fixed Operations Compensation Plans</strong></td>
<td>15</td>
<td>F, G &amp; H</td>
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<tr>
<td>A. Technician</td>
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<td>B. Service Advisor</td>
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<tr>
<td>C. Competency based</td>
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<tr>
<td>D. Performance based</td>
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<tr>
<td><strong>VI. Automotive Fixed Operations Effective Labor Rate and Pricing Strategies</strong></td>
<td>10</td>
<td>I</td>
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<tr>
<td>A. Effective labor rate</td>
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<tr>
<td>B. Pricing strategies</td>
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<tr>
<td>1. Traditional strategies</td>
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<tr>
<td>2. Grid pricing</td>
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<tr>
<td>3. Diagnostic charges</td>
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<tr>
<td><strong>VII. Automotive Fixed Operations Service Marketing and Forecasting</strong></td>
<td>10</td>
<td>J</td>
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<tr>
<td>A. Perceived and established value</td>
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<td>B. Service department forecasting process</td>
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### INTERNET ENHANCED INSTRUCTION SITE:

This course utilizes an instructor developed internet site to enhance instruction. Students will be expected to complete required readings of articles posted to this site and be prepared to discuss them in class. In addition, there is a resource area for students to gather industry related reference information. All instructor presentations and assignments will be posted to this site for student reference.

Login Address: https://online.siu.edu
COURSE INTRODUCTION:
Automotive management can be defined as the use of financial information to plan and control the operations of an automotive business. The application of sound techniques to dealership management is considered critical to the success of the entire organization. Every dealer has a substantial investment in service facilities and is entitled to a reasonable profit. Finding ways to eliminate losses or take advantage of overlooked profit opportunities can help the dealership improve its financial position. This course will provide you with some of the background necessary to work with dealers on sound business management practices. Practices to compete in a constantly changing market with increasing competition, decreasing warranty expenses, increasing consumer expectations, changing personnel, and changing regulations all must be taken into consideration. This requires a dealership to operate using a variety of modern management and marketing techniques to remain economically healthy.

The international prominence of the Southern Illinois University Carbondale, Automotive Technology program has been built on dreams, perseverance and commitment to excellence by its faculty, staff, students, alumni, and friends. The automotive industry is one of the most exciting and yet demanding fields of study. Students who have made a commitment to themselves to become a larger part of this industry owe it to themselves to expand their knowledge and abilities with each and every passing day.

There are always preconceived expectations in anything we do. The SIUC Automotive Technology Program sets the levels of expectation for students to challenge and encourage their growth. For that reason, policies and standards are set to outline what is expected at a minimum.

ATTENDANCE:
The faculty of Southern Illinois University Carbondale affirm the importance of prompt and regular attendance on the part of all undergraduate students. Quality instruction clearly depends upon active student participation in the classroom or its equivalent learning environment. This concept is further expounded upon in the Southern Illinois University Carbondale Catalog.

- Attendance is a required portion of all SIUC Automotive courses.
- Quality instruction depends upon active participation in the learning environment.
- Classes may not be missed without substantially affecting the ability of the student to master the course material.
- Each student is an integral part of the class as they share their experience, knowledge and impressions with the class in discussion. When a student misses class, it affects the entire class.

When a student misses a single class in a course that meets once a week for fifteen weeks, that student has missed over six percent of the class. When a student misses a single class in a course that meets twice a week for fifteen weeks, that student has missed over three percent of the class. For these and several other reasons, each unexcused absence could lower a student’s total score by the percentages described above. If a student is not present when roll is taken, he or she is considered absent. It is the students’ responsibility to notify the instructor that day if they enter the class after attendance is taken.

Students unable to attend class should notify the instructor as soon as possible and arrange with a classmate to obtain notes. Following an absence, the student should immediately contact the instructor to obtain any possible handout materials and assignments.

PUNCTUALITY:
- Class will begin promptly at the assigned time.
- Student entering after class has begun inevitably disrupt the rest of the students.
- Students entering late may miss special announcements, notes, and class or assignment changes.

For these reasons, a student being tardy three times will equal one absence in lowering a student’s score.
PREPAREDNESS AND PARTICIPATION:
Students are expected to come to class prepared and actively participate in discussions of relevant topics. Students are encouraged to bring items of interest relevant to current topics and events affecting the automotive industry to share in the class discussion.

A student sleeping or otherwise disrupting class affects the entire class and their learning. These actions are considered non-participatory and will result in the same effect as that of an absence. If any of these occur, the instructor may ask the student to leave the class.

ELECTRONIC DEVICES:
It is Departmental guidelines that cell phones are not to be used during class time. Please practice professional courtesy in utilizing electronic devices during class periods. Cell phones should not disrupt classmates. Many cell phones have an aggressive vibrate feature and will still often times disrupt other students. Cell phones should be either shut off, placed on silent, or not taken into class.

Starting up and shutting down of computers during class sessions can disrupt others. If a student wishes to use a computer during class, shut off all sounds, have it powered up prior to class beginning, and shut it down after class has completed.

It is expected that those utilizing electronic devices during class time will restrict their use to current class discussion and activities. Playing computer games, watching videos, and general internet web browsing during class shows a student’s lack of attention to class topics and are disruptive and distracting to other classmates. For these reasons, this disruptive action is considered non-participatory and will result in the same effect as that of an absence.

Any use of electronic devices for quizzes and exams must first be approved by the instructor.

ATTIRE AND CONDUCT:
Class attire and conduct should reflect the students respect to themselves, their peers, our customers, our industry and Southern Illinois University.

CONFIDENTIAL AND SENSITIVE MATERIAL/INFORMATION:
It is understood that students in this class may be provided and/or exposed to confidential and sensitive corporate/business material and/or information. Any such material/information is intended to be used solely for the individual student’s educational purposes in this course.

By attending this course, the student is hereby agreeing that they will not share and/or distribute such confidential and/or sensitive material and/or information with any party or entity outside of this immediate class in any manner and for any reason. Failure to do so will be considered non-participatory for the entire semester.

ASSIGNMENTS AND EXAMINATIONS:
The automotive industry is a very fluid and changing industry. Technology, materials, procedures, policies, and practices constantly change and are typically unpredictable. Therefore, detailed course material, presentations, assignments, quizzes, and exams have the possibility to change as the semester progresses. To obtain a passing score in any automotive technology and automotive business/management course, the student must be able to prove what they know and that they can apply it. Simply cramming to be able to "recite" material typically will not be enough to obtain a passing score. To make a passing grade in this course, it is critical to read and complete the assignments and handouts thoroughly, attend class regularly, take good notes, and participate in class discussions.

Students may earn points on assignments, quizzes, exams, presentations, and projects. Exams and quizzes are based on material from D2L, lectures, assigned readings, class discussions, and any guest speakers. Exams and quizzes will typically comprise of multiple-choice and short answer styles of questions.

The instructor will communicate to the class any assignments, including due dates and requirements. The number of assignments will vary based upon the instructor’s discretion. The points possible from each assignment will vary as the material varies and at the instructor’s discretion. All assignments must be submitted to the instructor on the specified due date when they are called for. Assignments must be neatly printed and carefully proofread. Assignments are expected to be
of the utmost professional quality in substance and appearance. Students are expected to maintain standards that reflect their desired grade, i.e., cover, paper, print, spelling, grammar, and format. Whether a late assignment is accepted or not will be done exclusively at the instructor’s discretion as well as any point deductions on those assignments handed in late.

Quizzes will be unannounced and students should be prepared to take a quiz at any time. The number of quizzes will vary based upon the instructor’s discretion. The points possible from each quiz will vary as the material varies and at the instructor’s discretion. The possibility of making up any missed quiz or a portion thereof is at the sole discretion of the instructor. All makeup work must be completed prior to the beginning of the next class session.

Three exams will be spaced along the semester with the final third exam occurring during finals week as indicated on the University Registrar’s website. All exams will be taken on the D2L course site and the student will have an opportunity to review their performance. The exact number of questions and points possible from each will vary as the material varies. The possibility of making up any missed exam or portion thereof is at the sole discretion of the instructor.

STUDENT PROGRESS:
All grades will be posted and maintained on the D2L course site. Students should be aware of their performance and progress at all times. Attendance will be taken at each class session but not included in the posted D2L grades.

TENTATIVE GRADING STRUCTURE:
Detailed course material, presentations, assignments, quizzes, and exams have the possibility to change as the semester progresses. The below tentative grading structure is to give the student an anticipated outline of the expected course requirements and grading structure planned.

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>3 Exams</td>
<td>50%</td>
</tr>
<tr>
<td>Assignments</td>
<td>50%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
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</tbody>
</table>

SCHOLASTIC STANDARDS AND GRADES:
The SIUC Automotive Technology Department maintains the following scholastic standards for grading:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
<td>93-100%</td>
</tr>
<tr>
<td>B</td>
<td>87-92%</td>
</tr>
<tr>
<td>C</td>
<td>76-86%</td>
</tr>
<tr>
<td>D</td>
<td>70-75%</td>
</tr>
<tr>
<td>F</td>
<td>&lt;69%</td>
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</tbody>
</table>

Excellent
Good
Satisfactory
Poor
Failure

It is expected that grades in this course will follow the normal probability distribution curve. Grades will most likely be concentrated near the center and decrease in frequency towards either end.

The total points a student earns at the end of the class divided by the total points possible will present a percentage score. Any deductions to this percentage score for participation, punctuality and/or attendance will then be taken to determine the student’s final percentage. This percentage will be referenced to the Department’s scholastic grading scale to determine the student’s final grade.

An Incomplete (INC) grade is assigned when, for reasons beyond their control, students engaged in passing work are unable to complete all class assignments. Students are required to apply, in writing, to the faculty member for an INC grade. If the application is approved by the faculty member and should the student fail to complete the course within the required time period, the Incomplete will be converted to a grade of F and the grade will be computed in the student’s grade point average.

A grade of Withdraw Failure (WF) may be awarded to students who do not officially withdraw from class, cease attending the class, and fail to complete requirements for the course. When awarding a WF, the instructor will note the date/time of the student’s last date of attendance/participation.

Students who officially register for a session may not withdraw merely by discontinuing attendance. Students who wish to withdraw from all courses must notify their local program advisor, in writing, that they wish to withdraw from the University.
The process of withdrawal starts with the student. Students who stop attending and do not officially withdraw may be assigned a grade of "WF" and will still be charged for the course or courses not attended.

Unless a student has processed an authorized drop from the course by the published Add/Drop Date, the student will not be allowed to drop the course. It is the student’s responsibility to ensure that the drop process is officially completed. It is probable that a student who does not drop by the Add/Drop Date, but stops attending/participating, will be awarded a grade of WF.

SAFETY AND EMERGENCY INSTRUCTIONS:
Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC Emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response information is available on posters in buildings on campus, available on the BERT’s website at www.bert.siu.edu, Department of Public Safety’s website www.dps.siu.edu (disaster drop down) and in the Emergency Response Guidelines pamphlet. Know how to respond to each type of emergency.

Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency. The Building Emergency Response Team will provide assistance to your instructor in evacuating the building or sheltering within the facility.

While in any automotive laboratory, students must follow safe laboratory practices at all times. This includes the wearing of appropriate eye protection while in the laboratory setting as well as proper operation of vehicles, equipment and tools. Students are to ask their instructor if for any reason they are unsure of proper operational procedures or appropriate safety precautions to take.

In the event of an emergency, the instructor will provide guidance and direction to students. It is important that students follow these instructions and stay with their instructor during an evacuation or sheltering emergency. If students are located on a military installation, and depending on the type emergency, a senior military member may take control of the situation and direct students on the action to take. Please follow their instructions and do as asked. Similarly, if students are at a community college, security personnel may arrive and take control of a situation, please follow their instructions as well.

ACADEMIC DISHONESTY POLICY:
Students may be subject to disciplinary proceedings resulting in an academic penalty or disciplinary penalty for academic dishonesty. Academic dishonesty includes, but is not limited to, cheating on a test, plagiarism, or collusion.

ADA STATEMENT FOR STUDENTS REQUIRING SPECIAL ACCOMMODATIONS:
As per Section 504 of the Vocational Rehabilitation Act of 1973 and the American Disabilities Act (ADA) of 1990, if accommodations are needed, inform your instructor as soon as possible.