



Financial Management Objective Homework

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Academy Class # N337

I plan to accomplish the following objective by our next class on: December

Provide the relevant composite data

Department	Month	Page	Column
Service	May		

Action plan for achieving objective
What is the area of focus? <i>Effective labor rate to be close to door rate on customer pay</i>
What is the proposed plan? How will you achieve it? <i>Guide my GM to spend time on training the service advisors along with the service manager. Take away the discount system from them, and focus on building value</i>
How will you track your progress? What measurements, KPI's? How often will you track? <i>I have created an excel worksheet for every month, every department that tracks our performance vs. NADA Guide</i>
Who are the employees that will be involved, or impacted? Will they require training or assistance? <i>Service advisor's and service managers. Yes, they will require training.</i>
Is there a cost, or estimated cost for implementation? <i>If cut scored by outside then yes. Don't know how much it could cost yet.</i>
Projected date of completion? <i>By the end of the year.</i>

Jan.	Feb.	March	April	May <i>Start</i>	June
July	Aug.	Sept.	Oct.	Nov.	Dec. <i>Finish</i>

Service Repair Order Analysis		May 2018			
		Dan-01	Dan-01	Difference	% Difference
Service Overall Effective Labor Rate	YTD Avg	143.21	143.21	0.00	0.00
Service Overall Effective Labor Rate	Curr Mo	129.84	129.84	0.00	0.00
Service Customer Effective Labor Rate	YTD Avg	122.79	122.79	0.00	0.00
Service Customer Labor Sales Per RO	YTD Avg	310	310	0	0.00
Service Customer Effective Labor Rate	Curr Mo	121.77	121.77	0.00	0.00
Service Customer Labor Sales Per RO	Curr Mo	306	306	0	0.00
Service Customer Labor ROs	YTD Avg	412	412	0	0.00
Service Customer Flatrate Hours Per RO	YTD Avg	2.5	2.5	0.0	0.00
Service Customer Labor ROs	Curr Mo	392	392	0	0.00
Service Customer Flatrate Hours Per RO	Curr Mo	2.5	2.5	0.0	0.00
Service Contract Effective Labor Rate	YTD Avg	0.00	0.00	0.00	0.00
Service Cont Labor Sales Per RO	YTD Avg	0	0	0	0.00
Service Contract Effective Labor Rate	Curr Mo	0.00	0.00	0.00	0.00
Service Cont Labor Sales Per RO	Curr Mo	0	0	0	0.00
Service Contract Labor ROs	YTD Avg	0	0	0	0.00
Service Cont Flatrate Hours Per RO	YTD Avg	0.0	0.0	0.0	0.00
Service Contract Labor ROs	Curr Mo	0	0	0	0.00
Service Cont Flatrate Hours Per RO	Curr Mo	0.0	0.0	0.0	0.00
Svc Warranty & PDI Effective Labor Rate	YTD Avg	165.17	165.17	0.00	0.00
Svc Warranty & PDI Labor Sales Per RO	YTD Avg	248	248	0	0.00
Svc Warranty & PDI Effective Labor Rate	Curr Mo	136.11	136.11	0.00	0.00
Svc Warranty & PDI Labor Sales Per RO	Curr Mo	235	235	0	0.00
Service Warranty & PDI Labor ROs	YTD Avg	557	557	0	0.00
Svc Warrnty & PDI Flatrate Hours Per RO	YTD Avg	1.5	1.5	0.0	0.00
Service Warranty & PDI Labor ROs	Curr Mo	443	443	0	0.00
Svc Warrnty & PDI Flatrate Hours Per RO	Curr Mo	1.7	1.7	0.0	0.00
Service Internal Effective Labor Rate	YTD Avg	150.97	150.97	0.00	0.00
Service Internal Labor Sales Per RO	YTD Avg	197	197	0	0.00
Service Internal Effective Labor Rate	Curr Mo	138.70	138.70	0.00	0.00
Service Internal Labor Sales Per RO	Curr Mo	187	187	0	0.00
Service Internal Labor ROs	YTD Avg	282	282	0	0.00
Service Internal Flatrate Hours Per RO	YTD Avg	1.3	1.3	0.0	0.00
Service Internal Labor ROs	Curr Mo	262	262	0	0.00
Service Internal Flatrate Hours Per RO	Curr Mo	1.4	1.4	0.0	0.00
Express Change & Misc Labor ROs	YTD Avg	0	0	0	0.00
Exprs Chg & Misc Labor Sales Per RO	YTD Avg	0	0	0	0.00
Express Change & Misc Labor ROs	Curr Mo	0	0	0	0.00
Exprs Chg & Misc Labor Sales Per RO	Curr Mo	0	0	0	0.00
Total Service Labor ROs	YTD Avg	1,251	1,251	0	0.00
Total Service Labor Sales Per RO	YTD Avg	257	257	0	0.00
Total Service Labor ROs	Curr Mo	1,097	1,097	0	0.00
Total Service Labor Sales Per RO	Curr Mo	249	249	0	0.00
Primary Customer Labor Rate	Curr Mo	145.00	145.00	0.00	0.00
Primary Warranty Labor Rate	Curr Mo	135.00	135.00	0.00	0.00
Primary Internal Labor Rate	Curr Mo	145.00	145.00	0.00	0.00

Service Labor Sales & Gross Analysis		May 2018			
		Dan-01	Dan-01	Difference	% Difference
Total Unapplied Service Labor	YTD Avg	0	0	0	0.00
Total Unapplied Service Labor	Curr Mo	0	0	0	0.00
Service Primary Customer Sales	YTD Avg	127,681	127,681	0	0.00
Svc Primary Customer Gross % Sales	YTD Avg	77.65	77.65	0.00	0.00
Service Primary Customer Sales	Curr Mo	119,818	119,818	0	0.00
Svc Primary Customer Gross % Sales	Curr Mo	77.60	77.60	0.00	0.00
Service Primary Svc Contract Sales	YTD Avg	0	0	0	0.00
Svc Primary Svc Contract Gross %Sls	YTD Avg	0.00	0.00	0.00	0.00
Service Primary Svc Contract Sales	Curr Mo	0	0	0	0.00
Svc Primary Svc Contract Gross %Sls	Curr Mo	0.00	0.00	0.00	0.00
Service Primary Warranty Sales	YTD Avg	138,179	138,179	0	0.00
Svc Primary Warranty Gross % Sales	YTD Avg	80.28	80.28	0.00	0.00
Service Primary Warranty Sales	Curr Mo	104,264	104,264	0	0.00
Svc Primary Warranty Gross % Sales	Curr Mo	79.56	79.56	0.00	0.00
Service Primary PDI Sales	YTD Avg	0	0	0	0.00
Service Primary PDI Gross % Sales	YTD Avg	0.00	0.00	0.00	0.00
Service Primary PDI Sales	Curr Mo	0	0	0	0.00
Service Primary PDI Gross % Sales	Curr Mo	0.00	0.00	0.00	0.00
Service Primary Internal Sales	YTD Avg	55,618	55,618	0	0.00
Service Primary Internal Gross % Sales	YTD Avg	79.18	79.18	0.00	0.00
Service Primary Internal Sales	Curr Mo	49,101	49,101	0	0.00
Service Primary Internal Gross % Sales	Curr Mo	80.31	80.31	0.00	0.00
Total Service Primary Labor Sales	YTD Avg	321,477	321,477	0	0.00
Total Svc Primary Labor Gross % Sales	YTD Avg	79.04	79.04	0.00	0.00
Total Service Primary Labor Sales	Curr Mo	273,183	273,183	0	0.00
Total Svc Primary Labor Gross % Sales	Curr Mo	78.84	78.84	0.00	0.00
Service Other Customer Sales	YTD Avg	0	0	0	0.00
Service Other Customer Gross % Sales	YTD Avg	0.00	0.00	0.00	0.00
Service Other Customer Sales	Curr Mo	0	0	0	0.00
Service Other Customer Gross % Sales	Curr Mo	0.00	0.00	0.00	0.00
Service Other Svc Contract Sales	YTD Avg	0	0	0	0.00
Serv Other Svc Contract Gross % Sales	YTD Avg	0.00	0.00	0.00	0.00
Service Other Svc Contract Sales	Curr Mo	0	0	0	0.00
Serv Other Svc Contract Gross % Sales	Curr Mo	0.00	0.00	0.00	0.00
Service Other Warranty & PDI Sales	YTD Avg	0	0	0	0.00
Svc Other Warranty & PDI Gross %Sales	YTD Avg	0.00	0.00	0.00	0.00
Service Other Warranty & PDI Sales	Curr Mo	0	0	0	0.00
Svc Other Warranty & PDI Gross %Sales	Curr Mo	0.00	0.00	0.00	0.00
Service Other Internal Sales	YTD Avg	0	0	0	0.00
Service Other Internal Gross % Sales	YTD Avg	0.00	0.00	0.00	0.00
Service Other Internal Sales	Curr Mo	0	0	0	0.00
Service Other Internal Gross % Sales	Curr Mo	0.00	0.00	0.00	0.00
Total Service Other Labor Sales	YTD Avg	0	0	0	0.00
Total Service Other Labor Gross % Sls	YTD Avg	0.00	0.00	0.00	0.00
Total Service Other Labor Sales	Curr Mo	0	0	0	0.00
Total Service Other Labor Gross % Sls	Curr Mo	0.00	0.00	0.00	0.00

Service

		RO's			
	MTD	YTD	Avg. YTD		
# of Technicians	11	Customer Pay	392	2058	411.6
Hours per Day	8	Internal	262	1411	282.2
Working days in the Month	24	Warranty	443	2785	557
		Total RO's	1097	6254	250.16

Service Breakeven Point \$ 274,641.76

Total Hours Produced Breakdown	
Customer	984
Internal	354
Warranty	766
Total	2104

	Fill in
=	Guide
=	> 80% of Guide
=	< 80% of Guide

Performance Metrics

	Actual vs. Guide
WIP Inventory Days' Supply	(7.7)
Customer Pay GP Return on Sales	77.6%
Internal GP Return on Sales	80.3%
Warranty GP Return on Sales	79.6%
Total Service GP Return on Sales	78.0%
Operating Profit Return on Gross	0.9%
Hours Produced in the shop/ day	87.7
Technician Efficiency	99.0%
Shop Productivity	100.5%
Proficiency	99.6%

	Effective Rate vs. Posted Rate
Labor Rate vs. Posted Rate	121.77
Customer Pay	138.70
Warranty Pay	136.11

	Overall Service Effective Labor Rate
	131.71
Additional Hours	117.6
Additional Sales	14,319.71

Total labor sales	\$ 277,109.00
Total Service Gross Profit	\$ 216,095.00
Total Customer Pay Sales w/ Non-Audit	\$ 119,818.00
Total Internal Sales w/ Non-Audit	\$ 49,101.00
Total Warranty Sales	\$ 104,264.00
Total Customer Pay Gross Profit w/ Non-Audit	\$ 92,981.00
Total Internal Gross Profit w/ Non-Audit	\$ 39,435.00
Total Warranty Gross Profit	\$ 82,957.00
Total Sublet Sales w/ non Audit	\$ 3,926.00
Total Sublet Gross Profit w/ non Audit	\$ 722.00
Total Service Expense	\$ 214,171.00
Service Operating Profit	\$ 1,924.00
Clock Hours Available	2112
Total Hours Produced	2104.0
WIP	???
WIP (Months Supply)	-0.26
Total Hours Worked (DMS)	2125

YTD	
YTD Total labor sales	\$ 1,650,528.00
YTD Total Service Gross Profit	\$ 1,278,857.00
YTD Total Customer Pay Sales w/ Non-Audit	\$ 638,403.00
YTD Total Internal Sales w/ Non-Audit	\$ 278,091.00
YTD Total Warranty Sales	\$ 690,893.00
YTD Total Customer Pay Gross Profit w/ Non-Audit	\$ 495,734.00
YTD Total Internal Gross Profit w/ Non-Audit	\$ 220,187.00
YTD Total Warranty Gross Profit	\$ 554,620.00
YTD Total Sublet Sales	\$ 43,141.00
YTD Total Sublet Gross Profit	\$ 8,316.00
YTD Total Service Expense	\$ 1,155,811.00
YTD Service Operating Profit	\$ 123,046.00

Avg. YTD	
Avg. YTD labor sales	\$ 330,105.60
Avg. YTD Service Gross Profit	\$ 255,771.40
Avg. YTD Customer Pay Sales w/ Non-Audit	\$ 127,680.60
Avg. YTD Internal Sales w/ Non-Audit	\$ 55,618.20
Avg. YTD Warranty Sales	\$ 138,178.60
Avg. YTD Total Customer Pay Gross Profit w/ Non-Audit	\$ 99,146.80
Avg. YTD Total Internal Gross Profit w/ Non-Audit	\$ 44,037.40
Avg. YTD Total Warranty Gross Profit	\$ 110,924.00
Avg. YTD Total Sublet Sales	\$ 8,628.20
Avg. YTD Total Sublet Gross Profit	\$ 1,663.20
Avg. YTD Service Expense	\$ 231,162.20
Avg. YTD Service Operating Profit	\$ 24,609.20
Avg. YTD Cost of Labor Sales	\$ 74,334.20