This document was exported from Numbers. Each table was converte
objects on each Numbers sheet were placed on separate worksheets.
calculations may differ in Excel.

Numbers Sheet Name	Numbers Table Name
Title Page	Table 1
Tab A	Table 1
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d to an Excel worksheet. All other
Please be aware that formula

Excel Worksheet Name

Fixed Operations 2 -

Financial Calculations and Formulas

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Service

Service Department Sales And Gross (Labor Only)

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Pay	$ 72,584	$ 57,364	79.03%	29.56%
Customer			0%	0.00%
Customer Other			0%	0.00%
Warranty	$ 30,515	$ 24,785	81.22%	12.43%
Warranty Other			0%	0.00%
Internal	$ 142,435	$ 111,187	78.06%	58.01%
NVI/PDI/Road Ready			0%	0.00%
Unapplied Time/Adj. Cost Of Labor		$ -	0%	0.00%
Total	$ 245,534	$ 193,336	78.74%	100.00%

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Customer Pay Gross Profit %	79.03%
Total Service Dept. G.P. %	78.74%

Parts To Labor Ratios

Category	Parts Sales	Labor Sales	P/L Ratio
Customer Pay	$ 140,751	$ 72,584	1.94
Customer		$ -	$0.00
Customer Other		$ -	$0.00
Warranty	$ 141,270	$ 30,515	4.63
Warranty Other		$ -	$0.00
Internal	$ 78,805	$ 142,435	0.55
Total	$ 360,826	$ 245,534	1.47

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Customer Pay Gross Profit %	79.03%
Total Service Dept. G.P. %	78.74%
Parts / Labor Ratio (Cust. Pay Only)	1.94

Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	$ 193,336		
Variable Expense		0.00%	
Selling Expense		0.00%	
Personnel Expense	$ 50,563	26.15%	
Semi-Fixed Expense	$ 7,853	4.06%	
Fixed Expense	$ 32,564	16.84%	
Unallocated Expense		0.00%	
Dealer's Salary		0.00%	
Total Expenses	$ 90,980	47.06%	
Net Profit	$ 102,356	52.94%	

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Customer Pay Gross Profit %	79.03%
Total Service Dept. G.P. %	78.74%
Parts / Labor Ratio (Cust. Pay Only)	1.94
Total Service Dept. Expenses	$ 90,980

Parts Department Total Gross

Service Department Total Gross

Body Shop Department Total Gross

Total Fixed Gross Profit

Total Dealership Expense

Overhead Expense

Total Fixed Gross Profit

Total Dealership Expense

Fixed Absorption Percentage

Guideline 60%

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Customer Pay Gross Profit %

Total Service Dept. G.P. %

Parts / Labor Ratio (Cust. Pay Only)

Total Service Dept. Expenses

		% Adj Ovhd Exp
$	76,012	17.27%
$	223,685	50.82%
$	-	0.00%
$	299,697	
$	440,162	
$	440,162	
$	299,697	
$	440,162	
	68.09%	
		Clear Form
	79.03%	
	78.74%	
	1.94	
$	90,980	

SERVICE INVENTORY ANALYSIS

	Labor Sales / Month		*Effective Labor Rates*		*Hours Billed*
Customer Pay	$ 72,584	÷	$ 179.00	=	405.5
Customer	$ -	÷		=	0.00
Customer Other	$ -	÷		=	0.00
Warranty	$ 30,515	÷	137.00	=	222.7
Internal	$ 142,435	÷	106.00	=	1343.7
New Vehicle Prep	$ -	÷		=	0.00
Total	$ 245,534				1972.0

POTENTIAL

$ 245,534	÷	1971.96	=	$ 124.51			
Total labor sales for month		Total hours billed		Effective Labor Rate			
17.00	**x**	8	**x**	24.0	=	3,264.0	
# Service mechanical technicians		# Hours/Day		Working Days/Month		Hours Available to Sell	
3,264.0	**x**	$ 124.51	**=**	$ 406,409		$ 508,011.47	
Hours Available to Sell		Effective Labor Rate		Labor sales potential @100%		Labor sales potential @ 125%	

How proficient are your technicians ?

1,972.0	÷	3,264.00	=	60.42%
Total Hours Billed		Hours Available to Sell		Tech Proficiency

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Hours Per RO (RO Analysis)		0.6
Percent of One Item R.O.'s (RO Analysis)		60.00%
Customer Pay Effective Labor Rate (DMS Report)	$	124.57
Warranty Labor Rate (DMS Report)	$	171.00
Total Overall Effective Labor Rate	$	124.51
Overall Technician Proficiency		60.42%

FACILITY POTENTIAL

Number of Bays

x

Number of Days

x

Number of Hours

x

Effective Labor Rate $ 124.51

equals

FACILITY POTENTIAL $ -

FACILITY UTILIZATION

Total Labor Sales $ 245,534

÷

Facility Potential $ -

equals

FACILITY UTILIZATION 0.00%

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Calculating Real Cost of

$ 245,534
Labor Sales

Divided by Hours Billed

0.00
= OELR

$ 245,534
Labor Cost

0.00
/ Hours Billed

$0.00
=Real Cost

÷ 24.00%
Real Cost

Labor

OWNER BASE POTENTIAL

$ 245,534 Labor Sales		5 Year Owner Base	x	8 Annual Hours Purchased	=	0.0 Market Potential / Hours
-Labor Gross		0.0 Market Potentail/ Hours	x	0.00 Effective Labor Rate	=	$ - 5 Yr. O.B Sales Potential
$ 245,534 =Labor Cost		Avg. Mos. Labor Sales (excluding internal, PDI and NVI)	x	12 Annualized	=	$ - Current Labor Sales Trend
		$ - Labor Sales Trend	÷	$ - 5 Yr. O.B. Sales Potential	=	0.00% Ouch

**Note: The industry average of 35% is very poor performance.*

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= $0.00
E.L.R. Needed to earn
76%

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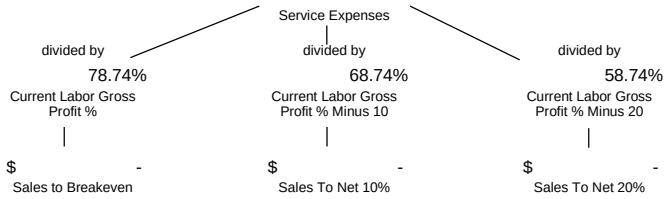
PROFIT ON LABOR SALES



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Customer Pay Gross Profit %		79.03%	Customer Pay E.L.R.	$ 124.57
Total Service Dept. G.P.%		78.74%	Total (overall) E.L.R.	$ 124.51
Parts / Labor Ratio (Cust Pay Only)		1.94	Warranty Labor Rate	$ 171.00
Total Service Dept Expense	$	90,980	Overall Tech Proficiency	60.42%
Hours Per R.O (recap)		0.62		
Percent Of One Item R.O.'s		60.00%		

Technician Value

Calculate using daily available hours per technician

Hours		Days		Labor Rate		Sales Value
	x		x	$ 124.51	=	$ -

Sales Value		Gross Margin		Profit Value
$ -	x	78.74%	=	$ -

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Profit Value		Your Proficiency #		Adjusted Profit Value
$ -	x	70%		$ -
$ -	x	80%		$ -
$ -	x	90%	proficiency	$ -
$ -	x	100%		$ -
$ -	x	110%		$ -
$ -	x	120%		$ -
$ -	x	0.0%	=	$ -

STAFFING REQUIREMENTS

A. Sales To Break Even

Service Expenses for One Month		Current Gross Profit Percent	=	Sales To Break Even
	|	78.74%	=	$ -

B. Sales To Generate 20% Net

Service Expenses for One Month		Current Gross Profit Percent (Minus 20)	=	Sales To Generate 20% Net
$ -	|	58.74%	=	$ -

C. Technician Value

Daily Work Hours	X	Average Proficiency Rate	X	Overall Effective Labor Rate	X	Work Days Per Month	=	Technician Value
0		80%		$ 124.51		0		$0
0		90%		$ 124.51		0		$0
0		100%		$ 124.51		0		$0
0		120%		$ 124.51		0		$0

D. Staffing To Break Even

Sales To Break Even		Technician Value	=	Staffing
$ -	|	0 @ 80%	=	0.0
$ -	|	0 @ 90%	=	0.0
$ -	|	0 @ 100%	=	0.0
$ -	|	0 @ 120%	=	0.0

E. Staffing To Generate 20% Net

Sales To Generate 20% Net		Technician Value	=	Staffing
$ -	|	$ - @ 80%	=	0.0
$ -	|	$ - @ 90%	=	0.0
$ -	|	$ - @ 100%	=	0.0
$ -	|	$ - @ 120%	=	0.0

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Service Advisor Performance

How To Set Advisor Sales Objectives To: Beak Even, Net 10%, & Net 20%

Break Even

1	Service Department's Monthly Expenses	
	|	
2	Divide by current labor gross profit % to break even	78.74%
	=	
3	Equals New Sales Objective	$ -
	|	
4	Number of Advisors	
	=	
5	Equals Sales Objective per Advisor	$0.00
	|	
6	Number of work days per month	
	=	
7	Equals daily sales objective per advisor	$0.00
	|	
8	Current overall effective labor rate	$ 124.51
	=	
9	Equals daily sales objective per advisor (FRH's)	0.0

Net 10 %

1	Service Department's Monthly Expenses	
		$0
	|	
2	Divide by current labor gross profit % minus 10 to net 10%	68.74%
	=	
3	Equals New Sales Objective	$ -
	|	
4	Number of Advisors	0.0
	=	
5	Equals Sales Objective per Advisor	$0.00
	|	
6	Number of work days per month	0
	=	
7	Equals daily sales objective per advisor	$0.00
	|	
8	Current overall effective labor rate	$ 124.51
	=	
9	Equals daily sales objective per advisor (FRH's)	0.0

Net 20 %

1	Service Department's Monthly Expenses	
	|	
2	Divide by current labor gross profit % minus 20 to net 20%	
	=	
3	Equals New Sales Objective	
	|	
4	Number of Advisors	
	=	
5	Equals Sales Objective per Advisor	
	|	
6	Number of work days per month	
	=	
7	Equals daily sales objective per advisor	
	|	
8	Current overall effective labor rate	
	=	
9	Equals daily sales objective per advisor (FRH's)	

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Exercise to See What Happens When You Increase Your Hours Per Repair Order

	Number of customer R.O.'s for the month				
		x			
	Multiply by .3 hours				0.3 hours
$0	Additional customer labor hours generated	=			0.00
		x			
58.74%	Multiply by Customer Labor Rate			$	124.57
$ -	Equals additional Customer Labor Sales Generated	=		$	-
		x			
0.0	Multiply by customer Labor Gross Profit %				79.03%
$0.00	Equals additional Labor Gross Profit $ generated	=	(A)	$	-
0					
$0.00					
	Divide Parts Sales R.O. by Labor Sales R.O. to calculate $ parts sales per 1$ of Labor Sales	=			1.94
$ 124.51					
		x			
0.0	Multiply by Customer Labor Sales			$	-
		=			
	Equals additional Customer Parts Sales generated			$	-
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	Multiply by Customer Parts Sales Gross Profit %				
	Equals additional Parts Gross Profit $ Generated	=	(B)	$	-
	Add Gross Profit from Labor (A) and Parts (B)	=		$	-

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Labor Rate Calculations

1 Calculate the **Labor Rate** for the following operation.

A/C Charge and Check

	Labor Price:	$144.00	
	Hours:	1.2	
|		=	$0.00
Price	Hours		Labor Rate

2 Calculate the **Effective Labor Rate** for the following "Repair" operations.

Labor Operations	Labor Price		Labor Hours		Labor Rate
Clean Fuel Injectors	$	117.60	1.20	=	
R&R Rear Hub Bearing.	$	96.00	0.80	=	
Replace Trans. Pan gasket	$	107.80	1.10	=	
R&R Headlight unit (1)	$	108.00	0.90	=	
				=	$0.00
	Total Price		Total Hours		Effective Labor Rate
					(For This R.O.)

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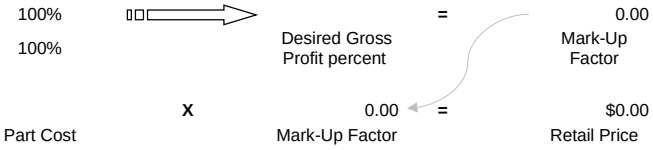
Calculating Mark-Up

3 Using the following formula, mark-up a part costing $6.72 to attain a 35% gross profit (round to the nearest cent)



4 Calculate the "Weighted Average" price at a 40% Gross Profit for the following parts (round to the nearest cent)

Item	Cost		Annual Turnover		Total Cost
Filter #1	$4.36	**X**	112	**=**	
Filter #2	$4.01	**X**	56	**=**	
Filter #3	$3.56	**X**	85	**=**	
Filter #4	$3.86	**X**	202	**=**	
Filter #5	$3.51	**X**	36	**=**	
	Total Items		491	Total Cost	$0.00

$ -	491	=	$ -
Total Cost	Total Items		Weighted Average **Cost**
$ -	X	=	$ -
Weighted Average Cost	Mark-Up Factor		Weighted Average **Price**

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Cost Of A Come-Back

Lost Customer Opportunity				
Average Hours per R.O.	**X**			
	=		0.0	
Effective Labor Rate	**X**	$	124.51	
Lost Labor Sales	=	$	-	(A)
Service Department Gross Profit % (Excluding Sublet)	**X**		78.74%	
Lost Labor Gross	=	$	-	(B)
Lost Labor Sales		$	-	(A)
Parts / Labor Ratio	**X**		1.94	
	=	$	-	
Parts Dept Gross Profit % R.O.Sales	**X**			
Lost Parts Gross	=	$	-	(C)
Lost Labor Gross		$	-	(B)
Lost Parts Gross	+	$	-	(C)
Total Lost Gross	=	$	-	

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