

CASH DAYS' SUPPLY

Page Colm Line

Cash			0	1	Asset	
Contracts in Transit	+		0	1	Asset	
Vehicle Receivables	+		0	1	Asset	
Market Securities	+		0	1	Asset	
Net Cash Available	=		0			A

YTD Total Expenses			0		YTD	
YTD <u>Service</u> Sales	+	0			YTD	
YTD <u>Service</u> Gross	-	0			YTD	
YTD Total Cost of Labor	=	+	0			
YTD Total Expense & Cost Of Labor	=		0			
Statement Month	÷		0			
Average YTD Total Expense and Cost of Labor			#DIV/0!			B

Net Cash Available			0			A
Average YTD Total Expense and Cost of Labor	÷		#DIV/0!			B
Cash Months' Supply	=		#DIV/0!			
Number of Days in a Month	×		30			
Cash Days Supply	=		#DIV/0!			Guide = 90



INVENTORY FLOORPLAN GAP (Trust Position)

Page Colm Line

New Vehicle Inventory		0	1	Asset	
Holdback Receivable	+	0		Asset	
Total Inventory Value	=	0			
Notes Payable: New Vehicle	-	0	1	Liab	
Inventory Floorplan Gap	=	0			

Note:

Most of you will have a negative number which may indicate an Out Of Trust position. Do not be alarmed...yet. There may be a common explanation.



CONTRACTS IN TRANSIT DAYS' SUPPLY

Page Colm Line

Contracts-in-transit
 Current Month New Retail Sales Dollars
 Current Month Pre-Owned Retail Sales Dollars
 Sub total Current Month New & Pre-Owned Retail Sales
 Months' Supply of Contracts-in-Transit
 Number of Days in Month
 Days Supply of Contracts-in-Transit

			0
		0	
+		0	
=	÷		0
	=		#DIV/0!
	×		30
	=		#DIV/0!

1	Asset	
	Month	
	Month	

Guide = 3



WORKING CAPITAL

Page Colm Line

MOST MANUFACTURERS

Total Current Assets		15,804,802	1	Asset	
LIFO Reserve (if listed as a deduct from current assets)	+	0	1	Asset	
Current Liabilities	-	14,005,277	1	Liab	
Current Portion of Long-Term Debt (if memo)	-	0	1	Liab	
Working Capital	=	1,799,525			

Working Capital Guide (OEM Provides)		1,571,531	1	Memo	
--------------------------------------	--	-----------	---	------	--

LIFO only is added back to current assets if it reduced current assets.

Current Portion of LT Debt will be 0 if included in Current Liabilities. Only deduct it if a memo adjacent to the Long Term Debt below the Total Current Liabilities.

GENERAL MOTORS STATEMENTS

Total Current Assets and Working Assets			1	Asset	
LIFO Reserve	+	0	1	Asset	
Current Liabilities and Deferred Taxes	-	0	1	Liab	
Working Capital	=	0	1	Memo	

Working Capital Guide (OEM Provides)		0	1	Memo	
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FIXED ABSORPTION

Page Colm Line

YTD Service Gross Profit		2,133,672	0	YTD	0
YTD Parts Gross Profit	+	811,486		YTD	
YTD Body Shop Gross Profit	+	0		YTD	
YTD Total Fixed Operations Gross Profit	=	2,945,158	A		
YTD Total Expense	÷	5,798,323	B	0	YTD 0
Fixed Absorption Percentage	=	50.8%		Guide = 60%	

The reciprocal of your Fixed Absorption Percentage represents your New and Pre-Owned gross profit dependency to break even.

TOTAL APSORPTION

Page Colm Line

YTD Gross Profit Total Fixed Operations		2,945,158	A		
YTD Pre-Owned Gross Profit	+	188,850		YTD	
YTD Gross Profit Total	=	3,134,008			
YTD Total Expenses	÷	5,798,323	B	0	YTD 0
Total Absorption Percentage	=	54.1%		Guide = 100%	

The reciprocal of your Total Absorption Percentage represents your dependency on New Vehicle gross profit to break even.

Fixed Absorption	50.8%	Guide = 60%
Pre-Owned Absorption	3.3%	Guide = 40%
New Vehicle Dependency	45.9%	

PARTS, SERVICE AND BODY SHOP ACCOUNTS RECEIVABLE

Page Colm Line

Current Month Parts, Service, and Body Shop Customer Labor and Parts Sales. See Note

Service Customer Pay	+	0		Month	
Parts Repair Orders (ROs)	+	0		Month	
Parts Wholesale	+	0		Month	
Parts Counter Retail	+	0		Month	
	+	0		Month	
	+	0		Month	
	+	0		Month	
	+	0		Month	
<i>Total Current Month Parts, Service, and Body Shop Customer Labor and Parts Sales</i>	=	0	A		

Parts, Service and Body Shop Accounts Receivable		0		Asset	
<i>Total Current Month Parts, Service, and Body Shop Customer Labor and Parts Sales</i>	÷	0	A		
Months' Supply of Parts, Service, and Body Shop Accounts Receivable	=	#DIV/0!			
Number of Days in the Month	×	30			
Days' Supply of Parts, Service, and Body Shop Accounts Receivable	=	#DIV/0!			Guide = 15 Days

Note: You need to go to the gross profit analysis section of your income statement. Where the detail of HOW you made your money resides. The four customer pay items listed are the minimum. You might have a body shop (paint & metal). You might have express lanes seperated for parts and service. The extra lines allow you to customize for your operation.

WARRANTY CLAIMS RECEIVABLE DAYS' SUPPLY

Page Colm Line

Current Month Parts, Service, and Body Shop Warranty Sales. See Note

Service Warranty Sales	+	0	Month
Parts Warranty Sales	+	0	Month
Body Shop Parts Warranty Sales	+	0	Month
Body Shop Service Warranty Sales	+	0	Month
	+	0	Month
	+	0	Month
	+	0	Month
	+	0	Month
Total Current Month Parts, Service, and Body Shop Warranty Sales	=	0 A	

Warranty Claims Receivable	0	Asset
Total Current Month Parts, Service, and Body Shop Warranty Sales	÷	0 A
Months' Supply of Warranty Claims Receivable	=	#DIV/0!
Number of Days in the Month	×	30
Days' Supply of Warranty Claims Receivable	=	#DIV/0!

Guide

Note: The extra lines allow you to customize for your operation.
 You need to go to the gross profit analysis section of your income statement where the detail of HOW you made your money resides.
 Your OEM may have a maintenance plan that runs through warranty.
 If you are selling a 3rd party extended service plan, this should be part of your customer receivables.

7.5 Days or 25% of Month
 15 Days or 50% of Month
 30 Days or 100% of Month



This calculation is in your workbook and it is below. This calculation is optional. We will discuss Vehicle Receivables during our live session but the calculation can be very misleading dependant what your operation "parks" in the account. Examples include fleet deals, dealer transfers and wholesale units at the auction not yet paid for.

VEHICLE RECEIVABLE DAYS' SUPPLY

		Page	Colm	Line
YTD New Vehicle Sales Dollars			YTD	
YTD Pre-Owned Vehicle Sales Dollars	+		YTD	
YTD New and Pre-Owned Vehicle Sales Dollars	=			0
Statement Month	÷			
Avg YTD New and Pre-Owned Vehicle Sales Dollars	=			#DIV/0! A
Vehicle Receivable			Asset	
Avg YTD New and Pre-Owned Vehicle Sales Dollars	÷			#DIV/0! A
Months' Supply of Vehicle Receivable	=			#DIV/0!
Number of Days in the Month	×			30
Days' Supply of Vehicle Receivable	=			#DIV/0!

Guide = 3

VEHICLE RECEIVABLES SHOULD NOT AGE !

NEW VEHICLE DAYS' SUPPLY & INVENTORY TURNS

NADA Guides - New Vehicle

Days' Supply 45 Days

Months' Supply 1.5 Months

Annual Inventory Turns 8 Turns (12 months ÷ 1.5 months)

Page Colm Line

New Vehicle Average YTD Cost of Sales

YTD New Vehicle Retail Sales Dollars (*without F&I*)

YTD New Vehicle Retail Gross Profit Dollars (*without F&I*)

YTD New Vehicle Retail Cost of Sales Dollars

Statement Month

Average YTD New Vehicle Cost of Sales

	0
±	0
=	0
÷	4
=	0

a

A

a If GP is a loss, enter a - negative number - . If GP is a gain, enter as a + positive number + .

New Vehicle Inventory Days' Supply

New Vehicle Inventory Dollars

Average YTD New Vehicle Cost of Sales

Months' Supply of New Vehicle Inventory

Number of Days in the Month

Days' Supply of New Vehicle Inventory

	0
÷	0
=	#DIV/0!
×	30
=	#DIV/0!

1	Asset	
---	-------	--

A

B

Guide = 45

New Vehicle Calendar-Year Inventory Turns

12 Months in a Year

Months' Supply of New Vehicle Inventory

New Vehicle Inventory Turns

	12
÷	#DIV/0!
=	#DIV/0!

B

Guide = 8



PRE-OWNED DAYS' SUPPLY & INVENTORY TURNS

NADA Guides - Pre-Owned Vehicle

Days' Supply 30 Days

Months' Supply 1.0 Months

Annual Inventory Turns 12 Turns (12 months ÷ 1.0 months)

Pre-Owned Vehicle Average YTD Cost of Sales

YTD Pre-Owned Vehicle Retail Sales Dollars (<i>without F&I</i>)		0
YTD Pre-Owned Vehicle Retail Gross Profit Dollars (<i>without F&I</i>)	±	0
YTD Pre-Owned Vehicle Retail Cost of Sales Dollars	=	0
Statement Month	÷	0
Average YTD Pre-Owned Vehicle Cost of Sales	=	<u><u>#DIV/0!</u></u>

a If GP is a loss, enter a - negative number - . If GP is a gain, enter as a + posit

Pre-Owned Vehicle Inventory Days' Supply

Pre-Owned Vehicle Inventory Dollars		0
Average YTD Pre-Owned Vehicle Cost of Sales	÷	<u><u>#DIV/0!</u></u>
Months' Supply of Pre-Owned Vehicle Inventory	=	<u><u>#DIV/0!</u></u>
Number of Days in the Month	×	30
Days' Supply of Pre-Owned Vehicle Inventory	=	<u><u>#DIV/0!</u></u>

Pre-Owned Vehicle Calendar-Year Inventory Turns

12 Months in a Year		12
Months' Supply of Pre-Owned Vehicle Inventory	÷	<u><u>#DIV/0!</u></u>
Pre-Owned Vehicle Inventory Turns	=	<u><u>#DIV/0!</u></u>

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Page Colm Line

a

A

ive number + .

1	Asset	
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A

B

Guide = 30

B

Guide = 12



PARTS & ACCESSORIES DAYS' SUPPLY & INVENTORY TURNS

NADA Guides - Parts & Accessories

Days' Supply 45 Days

Months' Supply 1.5 Months

Annual Inventory Turns 8 Turns (12 months ÷ 1.5 months)

Page Colm Line

Parts Average YTD Cost of Sales

YTD Parts & Accessories Sales Dollars

YTD Parts & Accessories Gross Profit Dollars

YTD Discounts & Adjustments (use +/- sign on statement)

YTD Parts & Accessories Cost of Sales Dollars

Statement Month

Average YTD Parts & Accessories Cost of Sales

	0			
±	0	a		
±	0			
=	0			
÷	0			
=	#DIV/0!	A		

a If GP is a loss, enter a - negative number - . If GP is a gain, enter as a + positive number + .

Parts and Accessories Inventory Days' Supply

Parts and Accessories Inventory Dollars

Average YTD Parts and Accessories Cost of Sales

Months' Supply of Parts and Accessories Inventory

Number of Days in the Month

Days' Supply of Parts and Accessories Inventory

	0	1	Asset	
÷	#DIV/0!	A		
=	#DIV/0!	B		
×	30			
=	#DIV/0!			Guide = 45

Parts and Accessories Calendar-Year Inventory Turns

12 Months in a Year

Months' Supply of Parts and Accessories Inventory

Parts and Accessories Inventory Turns

	12			
÷	#DIV/0!	B		
=	#DIV/0!			Guide = 8



FROZEN CAPITAL: WARRANTY CLAIMS RECEIVABLE

Page Colm Line

YTD Warranty Sales

Service Warranty Sales	+	0
Parts Warranty Sales	+	0
Body Shop Parts Warranty Sales	+	0
Body Shop Service Warranty Sales	+	0
	+	0
	+	0
	+	0
	+	0
Total YTD Warranty Sales	=	0
Statement Month	÷	0
Average YTD Warranty Sales	=	#DIV/0!
Factor	×	25.0%
Your Guide	=	#DIV/0! A

	YTD	
	YTD	
	YTD	
	YTD	
	YTD	
	YTD	
	YTD	
	YTD	

Your Factor for Warranty Claims Receivable is : 25.0% if paid weekly
50.0% if paid semi-monthly
100.0% if paid monthly

Warranty Claims Receivable	0
Your Guide	#DIV/0! A
Frozen Capital	#DIV/0!



ACADEMY

FROZEN CAPITAL: PRE-OWNED INVENTORY

Page Colm Line

YTD Pre-Owned Sales (<i>without F&I</i>)	+	0		YTD	
YTD Pre-Owned Gross Profit (<i>without F&I</i>)	-	0		YTD	
YTD Inventory Adjustments (<i>+/- as on statement</i>)	±	0		YTD	
YTD Pre-Owned Cost of Sales	=	0			
Statement Month	÷	0			
Average Month Pre-Owned Cost of Sales	=	#DIV/0!			
Factor	×	0.0		Guide = 1.0	
Your Guide	=	#DIV/0! A			

NADA Guide for Pre-Owned Vehicle Inventory is 1 month's supply or less at cost.

A Factor of 1.0 = 1 Month supply.

Pre-Owned Vehicle Inventory		0	1	Asset	
Your Guide	-	#DIV/0! A			
Frozen Capital		<u><u>#DIV/0!</u></u>			



ACADEMY

FROZEN CAPITAL: PARTS & ACCESSORIES INVENTORY

Page Colm Line

YTD Parts & Accessories Sales <i>(exclude gas, oil, grease and tire sales)</i>	+	0	0.0	YTD	
YTD Parts & Accessories Gross Profit <i>(exclude gas, oil, grease and tire gross profit)</i>	-	0		YTD	
YTD Inventory Adjustments (+/- as on statement)	±	0		YTD	
YTD Parts & Accessories Cost of Sales	=	0			
Statement Month	÷	0			
Average Month Parts & Accessories Cost of Sales	=	#DIV/0!			
Factor	×	0.0			Guide = 1.5
Your Guide	=	#DIV/0! A			

NADA Guide for Parts & Accessories Inventory is 45 days supply or less at cost.

A Factor of 1.5 = 45 days supply.

Parts & Accessories Inventory		0	1	Asset	
Your Guide	-	#DIV/0! A			
Frozen Capital		<u>#DIV/0!</u>			

FROZEN CAPITAL: SERVICE, PARTS AND BODY SHOP ACCOUNTS RECEIVABLE

Page Colm Line

YTD Parts, Service, and Body Shop Customer Labor and Parts Sales. See Note					
Service Customer Pay	+	0		YTD	
Parts Repair Orders (ROs)	+	0		YTD	
Parts Wholesale	+	0		YTD	
Parts Counter Retail	+	0		YTD	
	+	0		YTD	
	+	0		YTD	
	+	0		YTD	
	+	0		YTD	
Total YTD Parts, Service, and Body Shop Customer Labor and Parts Sales		=	0		
Statement Month	÷	0			
Average Month Parts & Accessories Sales	=	#DIV/0!			
Factor	×	50.0%			Guide = 50%
Your Guide	=	#DIV/0! A			

Days' Supply of Parts, Service and Body Shop Accounts Receivable should not exceed 50% of the Current Month's retail and wholesale parts, service and body shop customer paid sales or 15 days.
Guide of 15 days = one half of a month or 50%.

Parts, Service and Body Shop Accounts Receivable		0		Asset	
Your Guide	-	#DIV/0! A			
Frozen Capital		#DIV/0!			

Note: You need to go to the gross profit analysis section of your income statement. Where the detail of HOW you made your money resides. The four customer pay items listed are the minimum. You might have a body shop (paint & metal). You might have express lanes seperated for parts and service. The extra lines allow you to customize for your operation.



TOTAL FROZEN CAPITAL

Your calculation outputs from the previous tabs will automatically fill in each l

If you have a red (negative) number, place a zero (0) on the line.

Warranty Claims Receivable	+	#DIV/0!
Pre-Owned Vehicle Inventory	+	#DIV/0!
Parts & Accessories Inventory	+	#DIV/0!
Service, Parts, Body Shop A/R	+	#DIV/0!
Total Frozen Capital	=	#DIV/0!

ine below.



IMPACT OF AGED NEW VEHICLE INVENTORY ON NET PROFIT BEFORE TAXES

		Page	Colm	Line
New Vehicle Inventory over 90 days old				
Current Floorplan Interest Rate	×			Schedule
Annual Floor Plan Interest on Aged Inventory	=			Ask Controller
12 Months in a Year	÷			
Average Month Floor Plan Interest on Aged Inventory	=			

IMPACT OF EXCESS NEW VEHICLE INVENTORY ON NET PROFIT BEFORE TAXES

Page Colm Line

YTD New Vehicle Sales (<i>without F&I</i>)		0		YTD	
YTD New Vehicle Gross Profit (<i>without F&I</i>)	-	0		YTD	
YTD New Vehicle Cost of Sales	=	0			
Statement Month	÷	0			
Average Month New Vehicle Cost of Sales	=	#DIV/0!			
NADA Guide for New - Months' Supply	×	1.5		Guide = 1.5	
New Vehicle Inventory Dollars at Guide	=	#DIV/0! A			

New Vehicle Inventory Dollars - Actual		0	1	Asset	
New Vehicle Inventory Dollars at Guide	-	#DIV/0! A			
EXCESS New Vehicle Inventory Dollars	=	#DIV/0!			
Current Floorplan Rate	×	0.00%		Ask Controller	
Annual Floorplan Interest on Excess Inventory	=	#DIV/0!			
12 Months in a Year	÷	12			
Monthly Floorplan Interest on Excess Inventory	=	#DIV/0!			

INVENTORY OPTIMIZATION

Pre-Owned Vehicle Average Inventory Cost vs. Average Cost Per Unit Retailed

Page Colm Line

Pre-Owned Vehicle Inventory Dollars		0	
Number of Pre-Owned Vehicles in Stock	÷	0	
Average Cost of a Pre-Owned Vehicle in Inventory	=	#DIV/0!	A

1	Asset	
1	Memo	

YTD Pre-Owned Vehicle Sales Dollars <i>[without F&I]</i>	+	0	
YTD Pre-Owned Vehicle Gross Profit Dollars <i>[without F&I]</i>	-	0	
YTD Reconditioning Cost <i>[if not a memo]</i>	-	0	
YTD Pre-Owned Vehicle Cost of Sales Dollars	=	0	
YTD Number of Pre-Owned Vehicles Sold	÷	0	
Average Cost of a Pre-Owned Vehicle Sold	=	#DIV/0!	B

Average Cost of a Pre-Owned Vehicle in Inventory	+	#DIV/0!	A
Average Cost of a Pre-Owned Vehicle Sold	-	#DIV/0!	B
Variance	=	#DIV/0!	

We will discuss the difference and the significance of the number being positive or negative.

**NADA GUIDELINES FOR GROSS PROFIT RETURN ON SALES**

New Vehicle Department	5%
Pre-Owned Vehicle Department	12%
Parts Department	38%
Body Shop	55%
Service Department	76%

Page Colm Line

New Vehicle Department Gross Profit Return on Sales

YTD New Vehicle Retail Gross Profit	Front End Gross	
YTD New Vehicle Retail Sales Dollars	÷	0
YTD Gross Profit Return on Sales	=	#DIV/0!

	YTD	
	YTD	

YTD New Vehicle Retail Gross Profit	Front End Gross + F&I	
YTD New Vehicle Retail Sales Dollars	÷	0
YTD Gross Profit Return on Sales	=	#DIV/0!

	YTD	
	YTD	

YTD New Vehicle Retail Gross Profit	Front End Gross + F&I + Below the Line	
YTD New Vehicle Retail Sales Dollars	÷	0
YTD Gross Profit Return on Sales	=	#DIV/0!

	YTD	
	YTD	

Guide = 5%

The 5% NADA Guide include front & back end gross profit plus below the line factory money tied to new vehicle sales plus DOC Fees.

Depending on your OEM; F&I, below the line and doc fees are not conveniently summarized on your statement. Use the area below to summarize and carry the totals to the calculations above.

Pre-Owned Vehicle Department Gross Profit Return on Sales

Page Colm Line

	Front End Gross		
	+ F&I		
YTD Pre-Owned Vehicle Retail Gross Profit	0		YTD
YTD Pre-Owned Vehicle Retail Sales Dollars	0		YTD
YTD Gross Profit Return on Sales	= #DIV/0!	A	Guide = 12%

Gross Profit Opportunity Related to Pre-Owned Frozen Capital

Pre-Owned Frozen Capital	0	Workbook Page 29
Pre-Owned Vehicle Inventory Turns	0.0	Workbook Page 42
Subtotal	= 0	
YTD Gross Profit Return on Sales Percentage	× #DIV/0!	A
YTD Gross Profit Opportunity	= #DIV/0!	



SERVICE DEPARTMENT GROSS PROFIT RETURN ON SALES

Page Colm Line

YTD Customer Pay Gross Profit

YTD Customer Pay Sales Dollars

YTD Gross Profit Return on Sales

	0
÷	0
=	#DIV/0!

	YTD	
	YTD	

Guide = 76%

YTD Internal Gross Profit

YTD Internal Sales Dollars

YTD Gross Profit Return on Sales

	0
÷	0
=	#DIV/0!

	YTD	
	YTD	

Guide = 76%

YTD Warranty Gross Profit

YTD Warranty Sales Dollars

YTD Gross Profit Return on Sales

	0
÷	0
=	#DIV/0!

	YTD	
	YTD	

Guide = 76%



PARTS DEPARTMENT GROSS PROFIT RETURN ON SALES

Page Colm

YTD Customer RO Gross Profit
YTD Customer RO Sales Dollars
YTD Gross Profit Return on Sales

$$\begin{array}{r} \boxed{0} \\ \div \boxed{0} \\ = \underline{\underline{\#DIV/0!}} \end{array}$$

	YTD
	YTD

Guide = 4

YTD Internal Gross Profit
YTD Internal Sales Dollars
YTD Gross Profit Return on Sales

$$\begin{array}{r} \boxed{0} \\ \div \boxed{0} \\ = \underline{\underline{\#DIV/0!}} \end{array}$$

	YTD
	YTD

Guide = 4

YTD Warranty Gross Profit
YTD Warranty Sales Dollars
YTD Gross Profit Return on Sales

$$\begin{array}{r} \boxed{0} \\ \div \boxed{0} \\ = \underline{\underline{\#DIV/0!}} \end{array}$$

	YTD
	YTD

Guide = 28%

YTD Counter Retail Gross Profit
YTD Counter Retail Sales Dollars
YTD Gross Profit Return on Sales

$$\begin{array}{r} \boxed{0} \\ \div \boxed{0} \\ = \underline{\underline{\#DIV/0!}} \end{array}$$

	YTD
	YTD

Guide = 4

YTD Wholesale Gross Profit
YTD Wholesale Sales Dollars
YTD Gross Profit Return on Sales

$$\begin{array}{r} \boxed{0} \\ \div \boxed{0} \\ = \underline{\underline{\#DIV/0!}} \end{array}$$

	YTD
	YTD

Guide = 20%

YTD Body Shop Gross Profit
YTD Body Shop Sales Dollars
YTD Gross Profit Return on Sales

$$\begin{array}{r} \boxed{0} \\ \div \boxed{0} \\ = \underline{\underline{\#DIV/0!}} \end{array}$$

	YTD
	YTD

Guide = 25%

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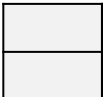
Line



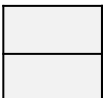
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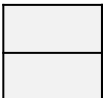
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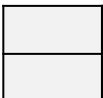
5-41%



1%



5-25%



5-30%



OPERATING PROFIT RETURN ON GROSS

Page Colm Line

Service Department Operating Profit Return on Gross Profit

Service Department Operating Profit

0
0

	YTD	
	YTD	

Service Department Gross Profit

+

Operating Profit Return on Gross Profit Percentage

#DIV/0!

Guide = 20%

Parts Department Operating Profit Return on Gross Profit

Parts Department Operating Profit

0
0

	YTD	
	YTD	

Parts Department Gross Profit

+

Operating Profit Return on Gross Profit Percentage

#DIV/0!

Guide = 20%

Note:

Operating Profit has traditionally been a indicator of expense control.

The NADA Guide for Operating Profit in each department is 20%. In recent years, margin

We have elected not to do the calcualtion in class

but it is in your workbook and we suggest you do the calcualtion.

If you are below the guide in any department, review the department YTD expenses because either your expenses are high or you are not doing enough volume.



ADDITIONAL Sales Dollars to RECOVER \$100 WASTED DOLLARS

Page Colm Line

Total Dealership Net Profit % of Sales

Net Profit Before Taxes

Total Sales

Net Profit Return on Sales %

$$\frac{\text{Net Profit Before Taxes}}{\text{Total Sales}} = \#DIV/0!$$

	MTD	
	MTD	

Waste \$100

Wasted Dollars

Net Profit Return on Sales %

Additional Sales Required to Recover \$100

$$\frac{\$100}{\text{Net Profit Return on Sales \%}} = \#DIV/0!$$

Spend a \$1.25

Wasted Dollars

Net Profit Return on Sales %

Additional Sales Required to Recover \$1.25

$$\frac{\$1.25}{\text{Net Profit Return on Sales \%}} = \#DIV/0!$$

Current Month Policy Expense

Wasted Dollars

Net Profit Return on Sales %

Additional Sales Required to Recover "Policy"

$$\frac{\text{Wasted Dollars}}{\text{Net Profit Return on Sales \%}} = \#DIV/0!$$

	MTD	
--	-----	--

Note: Policy can go by different names. Examples are, Audi calls it "Comebacks", Jaguar says "Goodwill Adjustments", and VW is labeled "Customer Experience".

One some statements policy is on different lines (separate variable from fixed)

i.e. Ford (p 4, line 45 & p 5, line 52) and GM (p 2, line 6 & 25).



NEW VEHICLE DEPARTMENT BREAKEVEN POINT with F&I

Page Colm Line

YTD New Vehicle Retail Gross Profit *[with F&I]*

0

	YTD	
--	-----	--

YTD Number of New Retail/Lease Units

÷ 0

--	--	--

Average Gross Profit PNVR

= #DIV/0! A

YTD New Vehicle Department Expense

0

	YTD	
--	-----	--

Statement Month

÷ 0

Average New Vehicle Department Expense

= #DIV/0!

Average Gross Profit PNVR

÷ #DIV/0! A

Number of New Vehicles to Break Even

= #DIV/0!

Compare to:

Average Number New Vehicles Sold per Month

#DIV/0!



ACADEMY

PRE-OWNED VEHICLE DEPARTMENT BREAKEVEN POINT with F&I

Page Colm Line

YTD Pre-Owned Vehicle Retail Gross Profit *[with F&I]*

YTD Number of Pre-Owned Retail/Lease Units

Average Gross Profit PNVR

$$\begin{array}{r} \div \\ = \end{array} \begin{array}{|c|} \hline 0 \\ \hline 0 \\ \hline \hline \#DIV/0! \\ \hline \end{array} \text{ A}$$

	YTD	

YTD Pre-Owned Vehicle Department Expense

Statement Month

Average Pre-Owned Vehicle Department Expense

Average Gross Profit PNVR

Number of Pre-Owned Vehicles to Break Even

$$\begin{array}{r} \div \\ = \\ \div \\ = \end{array} \begin{array}{|c|} \hline 0 \\ \hline 0 \\ \hline \hline \#DIV/0! \\ \hline \hline \#DIV/0! \\ \hline \hline \#DIV/0! \\ \hline \end{array} \text{ A}$$

	YTD	
--	-----	--

Compare to:

Average Number Pre-Owned Vehicles Sold per Month

$$\begin{array}{|c|} \hline \hline \#DIV/0! \\ \hline \end{array}$$



PRE-OWNED VEHICLE DEPARTMENT DAYS IN STOCK TO BREAK EVEN

YTD Total Pre-Owned Vehicle Department Expenses		\$0
YTD Number of Pre-Owned Retail Vehicles Sold	÷	0
Average Pre-Owned Vehicle Holding Cost per Retailed Unit Sold	=	#DIV/0!
Number of Days in Month	÷	30
Average Daily Pre-Owned Vehicle Holding Cost	=	#DIV/0!
Average Gross Profit PUVR with F&I		#DIV/0!
Average Daily Pre-Owned Vehicle Holding Cost	÷	#DIV/0!
Pre-Owned Vehicle Days in Stock to Break Even	=	<u><u>#DIV/0! Days</u></u>



SERVICE DEPARTMENT BREAKEVEN POINT

Page Colm Line

YTD Total Service Department Expenses
Statement Month

÷ 0

	YTD	
--	-----	--

Average YTD Service Department Expenses

= #DIV/0!

YTD Total Service Department Gross Profit Retention

÷ 0.0%

See Note

Service Sales Needed per Month to Break Even

= #DIV/0!

Compare to:

YTD Total Service Department Sales
Statement Month

÷ 0

	YTD	
--	-----	--

Actual Service Sales (Average-Month)

= #DIV/0!

Note: This percentage is printed on your financial statement in the gross profit analysis for the service department. It is the YTD total service gross profit ÷ total service sales.

PARTS DEPARTMENT BREAKEVEN POINT

YTD Total Parts Department Expenses
Statement Month

÷ 0

	YTD	
--	-----	--

Average YTD Parts Department Expenses

= #DIV/0!

YTD Total Parts Department Gross Profit Retention

÷ 0.0%

See Note

Parts Sales Needed per Month to Break Even

= #DIV/0!

Compare to:

YTD Total Parts Department Sales
Statement Month

÷ 0

	YTD	
--	-----	--

Actual Parts Sales (Average-Month)

= #DIV/0!

Note: This percentage is printed on your financial statement in the gross profit analysis for the parts department. It is the YTD total parts gross profit ÷ total parts sales.



NEW VEHICLE DEPARTMENT GROSS RETURN ON INVENTORY

Page	Colm	Line
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New Vehicle Department YTD Gross Profit Return on Sales	0.0
New Vehicle Inventory Turns	0.0
New Vehicle Department GROI	0

Page 50
Page 40
Guide 40%

PRE-OWNED VEHICLE DEPARTMENT GROSS RETURN ON INVENTORY

Pre-Owned Vehicle YTD Gross Profit Return on Sales	0.0
Pre-Owned Vehicle Inventory Turns	0.0
Pre-Owned Vehicle Department GROI	0

Page 51
Page 42
Guide 144%

PARTS DEPARTMENT GROSS RETURN ON INVENTORY

Parts YTD Gross Profit Return on Sales	0.0
Parts Inventory Turns	0.0
Parts Department GROI	0

Page 64 Retention
Page 44
Guide 304%

WORK IN PROCESS INVENTORY DAYS' SUPPLY

Page	Colm	Line
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YTD Labor Sales

0

YTD Labor Gross Profit

- 0

YTD Cost of Labor

= 0

Statement Month

÷ 0

Average YTD Cost of Labor

= #DIV/0! A

	YTD	
	YTD	

WIP Inventory

0

Average YTD Cost of Labor

÷ #DIV/0! A

Months' Supply of WIP Inventory

= #DIV/0!

Number of Days in the Month

× 30

Days' Supply of WIP Inventory

= #DIV/0!

1	Asset	
---	-------	--

Guide = 1.5

Power of Turns: Pre-Owned

<u>Gross R Us</u>		<u>Turns R Us</u>		<u>Increase</u>
Units	100	Units	100	
Turns	8	Turns	12	
Annual Units	800	Annual Units	1200	
GP	\$1,200	GP	\$900	
Total GP	\$960,000		\$1,080,000	\$120,000
Additional Sales		400		
F&I	\$1,200			\$480,000
Doc Fee	\$500			\$200,000
Recon - Total	\$1,100			
Recon - Parts	\$550	40.0%		\$88,000
Recon - Serv	\$550	76.0%		\$167,200
ADDITIONAL GROSS PROFIT				\$1,055,200