

Financial Management Action Plan Topics

	RED TEAM
	YELLOW TEAM
	ORANGE TEAM
	GREEN TEAM
	BLUE TEAM
	PINK TEAM
	OPTIONAL TOPICS

TOPIC #	TAB #	
1	2	Service Department Gross Profit Return on Sales:
2	6	Work in Process Labor Inventory Days' Supply:
3	8 & 9	Reconciling Work in Process Labor Inventory (Tab 8
4	15 & 16	Comparison of Internal ELR and Customer Pay ELR (
5	32	Parts Inventory Days' Supply:
6	34	Parts Inventory Gross Turns, True Turns and Stock O
7	37	Parts Calendar Year Inventory Turns:
8	99	Working Capital:
9	42 & 43	Gas, Oil & Grease Inventory Reconciliation and Tire I
10	46	Increasing Hours per RO by an Additonal .3 Hours:
11	49	Parts, Service & Body Shop Accounts Receivable Da
12	50	Warranty Claims Receivable Days' Supply:
13	60	Vehicle Receivable Days' Supply:
14	66	New Vehicle Inventory Days' Supply:

15	67	New Vehicle Calendar Year Inventory Turns:
16	68 & 69	Impact of Aged New Vehicle Inventory (Tab 68) and In
17	72	Used Vehicle Gross Profit Return on Sales:
18	77	Used Vehicle Inventory Days' Supply:
19	78	Used Vehicle Calendar Year Inventory Turns:
20	91	New and Used Vehicle Inventory Ageing Analysis:
21	2	Service Department Gross Profit Return on Sales:
22	29	Parts Department Gross Profit Return on Sales:
23	47	Fixed Absorption:
24	63	Contracts in Transit Days' Supply:

ACTION PLAN TOPICS

If Not Scheduled) (Tab 9 If Scheduled):

(Tab 15) and Comparison of Warranty ELR and Customer Pay ELR (Tab 16):

Order Performance:

Inventory Reconciliation:

ys' Supply:

Impact of Excess New Vehicle Inventory on Total Dealership Net Profit:

Financial

	RED TEAM
	YELLOW TEAM
	ORANGE TEAM
	GREEN TEAM
	BLUE TEAM
	PINK TEAM
	OPTIONAL TOPICS

TOPIC #	TAB #	REFERENCE - B/S, COMPOSITE, ETC.	
1	4	P31 P31B	Service De
2	8	PB-C8 PB-C9 P29-C1	Work in Pr
3	10 & 11	OPEN R.O. REPORT	Reconcilin
4	16 & 17	P32	Comparisc
5	24	PC-C2 PC-C3 P6-C11 P39-C1	Parts Inven
6	26	PARTS SUMMARY REPORT OR MGR	Parts Inven
7	30	NONE	Parts Depa
8	76	P5-C10, BALANCE SHEET	Working C
9	32 & 33	BALANCE SHEET, PHYSICAL INV.	Gas, Oil &
10	35	NONE	Increasing
11	40	P5-C4	Parts, Serv
12	41	P5-C7	Warranty C
13	50	P3-C3 P27-C1	Vehicle Re
14	52	PA-C9 PA-C10 PB-C3 PB-C4 P6-C6	New Vehic

15	54 & 55	PA-C9 PA-C10	New Vehicle
16	56 & 57	BALANCE SHEET, SCHEDULE, VAUTO, ETC.	Impact of /
		1	
17	58	PB-C3 PB-C4	Used Vehicle
18	63	P6-C8	Used Vehicle
19	65 & 66	PB-C3 PB-C4	Used Vehicle
20	72	ACCOUNTING SCHEDULES, VAUTO, ETC.	New and U
21	75	P5-C2	Cash Days
22	77	BALANCE SHEET	Inventory T
23	2	P4-C1	Turning Me
24	36	P39-C2 PB-C7	Sales Dolla

Financial Management Action Plan Topics

ACTION PLAN TOPICS

Department Gross Profit Return on Sales:

Process Labor Inventory Days' Supply:

ing Work in Process Labor Inventory:

on of Internal ELR and Customer Pay ELR and Comparison of Warranty ELR and Cus

Inventory Days' Supply:

Inventory Gross Turns, True Turns and Stock Order Performance:

Department Gross Return on Investment (GROI):

Capital:

Grease Inventory Reconciliation and Tire Inventory Reconciliation:

Hours per RO by an Additonal .3 Hours:

Service & Body Shop Accounts Receivable Days' Supply:

Claims Receivable Days' Supply:

Receivable Days' Supply:

Inventory Days' Supply:

le Department Gross & Net Return on Investment - (GROI & NROI)

Aged New Vehicle Inventory and Impact of Excess New Vehicle Inventory on Total De

cle Gross Profit Return on Sales:

cle Inventory Days' Supply:

cle Gross & Net Return on Investment - (GROI & NROI)

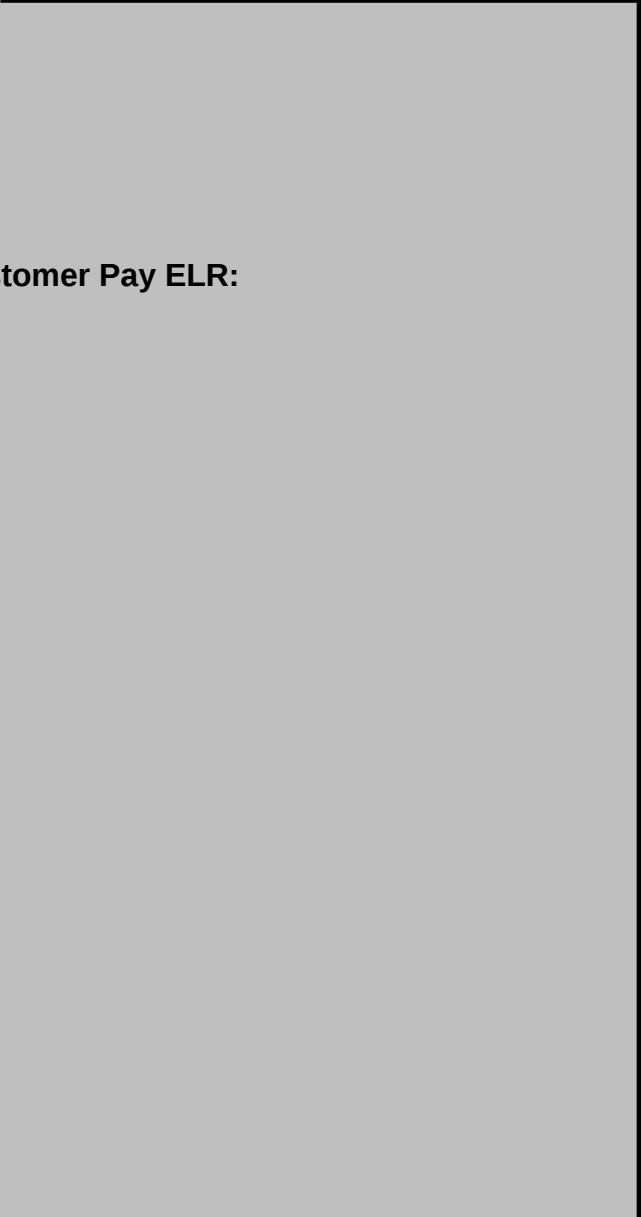
Used Vehicle Inventory Analysis:

s' Supply

Trust Position

etrics Into Money

ars per Customer Pay Repair Order



Customer Pay ELR:

alership Net Profit:

Financial Management Action

Dealership

Student Name

Academy Week

Class & Student Number

Opportunity:

What is the opportunity you have selected?

Overall Objective:

What is the objective of your action plan?

Proposed Timeline

How long will it take to achieve your objective?

Action Plan

Describe necessary actions to reach desired result:

Requirements

Meeting with Dealer:

Action Proposed:

Meeting with stakeholder(s) (dealership personnel):

Describe what is in place to support desired goal:

Training / Coaching / ±Consequences related to results / Pain & Gain

Accountability: Monitoring progress:

Who:

What:

By When:

How:

Describe how the progress will be monitored and measured:
Daily / Weekly / Semi-Monthly / Monthly

Estimated cost for implementation:

Projected Date of
Completion:

Sponsor's Name: _____

Sponsor's Signature: _____

Evaluation of Results: Include measured results.

Impact Areas:

Sales / Gross / Expenses / Net Profit / CSI /

Plan

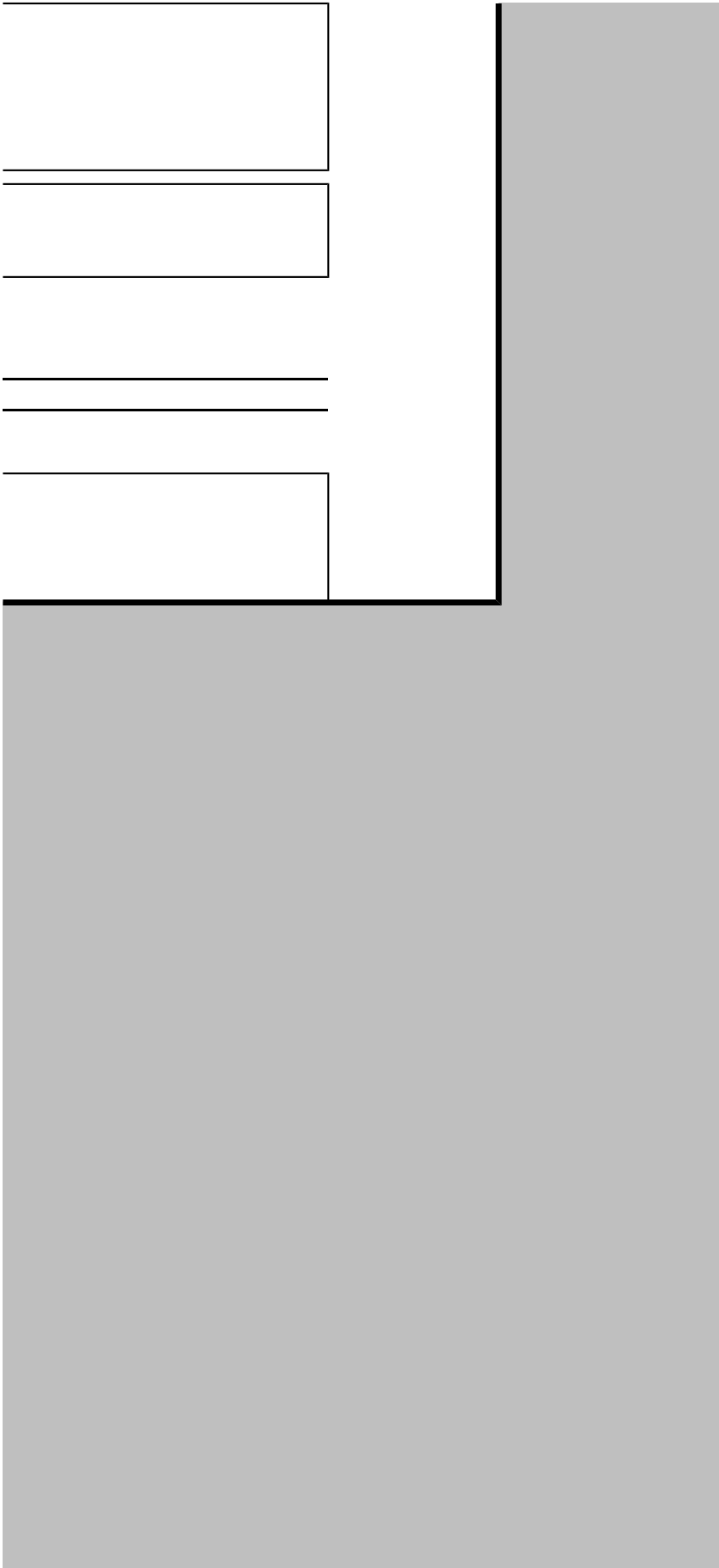
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The first two steps are relatively straightforward. The third step involves identifying the specific components of the system that are most likely to cause problems. This can be done by reviewing the system's design and operation, as well as by conducting tests and simulations. Once the components have been identified, the next step is to develop a plan to address the issues. This plan should take into account the root causes of the problems, as well as the potential consequences of each issue. Finally, the plan should be implemented, and the results should be monitored and evaluated.



Penske
Finance
Ac
Tab

	Service Department
	Parts Department
	Total Fixed Operations
	New Vehicle Department
	Used Vehicle Department
	Total Variable Operations
	Total Dealership Operations
	Summary of Profit & Cash Flow Opportunities - Vari

Tab Number	Select Templ
1	Additional Sales Dollars to Recover \$100 "Lost Dollars"
2	Turning Metrics into Money
3	Accounting Office Staffing
4	Service Department Gross Profit Return on Sales
5	Service Department Operating Profit Return on Gross
6	Service Department Break-Even Point
7	Hours per Day per Tech Needed to Achieve a 20% Operating Pro
8	Work in Process Labor Inventory Days Supply

9	<u>Number of Hours of WIP per Technician</u>
10	<u>Reconciling Work in Process Inventory - Not Scheduled</u>
11	<u>Reconciling Work in Process Inventory - Scheduled</u>
12	<u>Work in Process Inventory Calculator - Mechanical</u>
13	<u>Service Department Analysis</u>
14	<u>Average Tech Pay</u>
15	<u>Ratio of Technicians to Service Advisors</u>
16	<u>Comparison of Internal Effective Labor Rate and Customer Pay E</u>
17	<u>Comparison of Warranty Effective Labor Rate and Customer Pay</u>
18	<u>"Add a Zero Technique" - Total Hours Produced in the Shop per E</u>
19	<u>What if Hours Produced per Repair Order Were at Guide</u>
20	<u>Parts Department Gross Profit Return on Sales</u>
21	<u>Parts Department Operating Profit Return on Gross Profit</u>
22	<u>Parts Department Break-Even Point</u>
23	<u>Parts Sales Needed per Counterman per Day to Achieve a 20% C</u>
24	<u>Parts Inventory Days Supply</u>
25	<u>Break-Down of Parts Inventory</u>
26	<u>Parts Department Analysis</u>
27	<u>Parts Cost of Lost Sales Calculator</u>
28	<u>Ratio of Technicians to Parts Counterme</u>
29	<u>Parts & Accessories Inventory Calendar Year Turns</u>
30	<u>Parts Department Gross Return on Investment (GROI)</u>
31	<u>Parts Department Net Return on Investment (NROI)</u>
32	<u>Gas, Oil & Grease Inventory Reconciliation</u>
33	<u>Tire Inventory Reconciliation</u>
34	<u>Fixed Operations Grossing Opportunities</u>
35	<u>Increasing Hours Per R.O. by an Additional .3 Hours</u>
36	<u>Sales Dollars per Customer Pay Repair Order</u>
37	<u>Fixed Absorption</u>
38	<u>Impact of Selling One Additional Hour of Labor per Technician pe</u>
39	<u>Cost per Minute of Technician Idle Time</u>
40	<u>Parts, Service & Body Shop Accounts Receivable Days Supply</u>
41	<u>Warranty Claims Receivable Days Supply</u>
42	<u>Frozen Capital - Service, Parts & Body Shop Receivable</u>
43	<u>Frozen Capital - Warranty Claim Receivable</u>
44	<u>Frozen Capital - Parts & Accessories Inventory</u>

45	<u>Service, Parts & Body Shop Receivables Past Due</u>
46	<u>New Vehicle Department - Break-Even Point Above the Line</u>
47	<u>New Vehicle Department - Break -Even Point Below the Line</u>
48	<u>New Vehicle Department Gross Profit Return on Sales</u>
49	<u>Vehicle Receivable Days Supply</u>
50	<u>Contracts in Transit Days Supply</u>
51	<u>New Vehicle Inventory Days Supply</u>
52	<u>New Vehicle Inventory Calendar Year Turns</u>
53	<u>New Vehicle Department Gross Return on Investment (GROI)</u>
54	<u>New Vehicle Department Net Return on Investment (NROI)</u>
55	<u>Impact of Aged New Vehicle Inventory on Total Dealership Net Pr</u>
56	<u>Impact of Excess New Vehicle Inventory on Total Dealership Net I</u>
57	<u>Used Vehicle Gross Profit Return on Sales</u>
58	<u>Used Vehicle Department - Break-Even Point Above the Line</u>
59	<u>Used Vehicle Department - Break-Even Point With Below the Line</u>
60	<u>Used Vehicle Holding Cost per Unit Sold & Impact of Holding Cos</u>
61	<u>Used Vehicle Days in Stock Break-Even Point</u>
62	<u>Used Vehicle Inventory Days Supply</u>
63	<u>Used Vehicle Inventory Calendar Year Turns</u>
64	<u>Used Vehicle Department Gross Return on Investmest (GROI)</u>
65	<u>Used Vehicle Department Net Return on Investment (NROI)</u>
66	<u>Total Absorption</u>
67	<u>Frozen Capital - Vehicle Receivable</u>
68	<u>Frozen Capital - Contracts in Transit</u>
69	<u>Frozen Capital - Used Vehicle Inventory</u>
70	<u>Average Inventory Cost versus Average Cost per Unit Retailed</u>
71	<u>New & Used Inventory Analysis</u>
72	<u>Frozen Capital Summary</u>
73	<u>Cash Days Supply</u>
74	<u>Working Capital</u>
75	<u>Inventory Trust Position</u>
76	<u>Total Personnel Expense as % Total Dealership Gross Profit</u>
77	<u>Total Dealership Expense as % Total Dealership Gross Profit</u>
78	<u>Summary of Profit Opportunities -Variable Operations</u>
79	<u>Summary of Profit Opportunities - Fixed Operations</u>
80	<u>Summary of Cash Flow Opportunities - Variable Operations</u>

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[Summary of Cash Flow Opportunities - Fixed Operations](#)

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[Grand Total Summary of All Cash Flow & Profit Opportunities](#)

Automotive Group
Financial Management
Academy Ware
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Variable & Fixed Operations

State Name & Click Hyperlink

fit

Effective Labor Rate
Effective Labor Rate
Day

Operating Profit

r Day

Profit

ex Factory Money & DOC Fees
Cost on Used Vehicle Gross per Copy BLT





Penske Automotive Group Academy Ware Data Entry Sheet

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Input Cell (found on financial statement)

Formula Cell

Input Cell (not found on financial statement)

NOTE: Enter a zero in any cell that you leave blank!

Save To a New File Name Now!

SERVICE DEPARTMENT

Work in Process Labor Inventory (from the balance sheet)

Number of Months Business (number of months the financial statement represents)

Factor to Annualize

Number of Selling Days Available in Month for Fixed Operations

Total Service Department Expense Y.T.D.

Hours per RO: Enter the appropriate guide below: (select one)

Hours per RO - Domestic - 2.0

Hours per RO - Import - 2.5

Hours per RO - Highline - 3.0

Service Department Gross Profit Return on Sales. Enter each guide below:

Guide: Customer Pay Labor Gross Profit Return on Sales - 73%

Guide: Internal Labor Gross Profit Return on Sales - 73%

Guide: Warranty Labor Gross Profit Return on Sales - 73%

Total Service Department Sales (current month and YTD)

Total Service Department Gross Profit (current month and YTD)

Total Service Department Labor Gross Profit (do not include sublet repairs) (current month)

Total Service Department Operating Profit or Loss (current month)

Customer Labor Sales RO Cars & RO Count (current month & YTD)

Customer Labor Gross Profit RO Cars (current month)

Customer Labor Sales RO Trucks & RO count (current month & YTD)

Customer Labor Gross Profit RO Trucks (current month)

Customer Labor Sales Other & RO Count (ccurrent month & YTD)

Customer Labor Gross Profit Other (current month)

Warranty Labor Sales & RO Count (current month & YTD)

Warranty Labor Gross Profit (current month)

Warrant Labor Sales Other & RO Count (ccurrent month & YTD)

Warranty Labor Gross Profit Other (current month)

PDI/NVI/ROAD READY Labor Sales & RO Count (current month & YTD)

PDI/NVI/ROAD READY Labor Gross Profit (current month)

Internal Labor Sales & RO Count (current month & YTD)

Internal Labor Gross Profit (current month)

Internal Labor Gross Profit Retention % (current month)

Customer Labor RO Gross Profit Retention % (current month)

Warranty Labor Gross Profit Retention % (current month)

PDI/NVI Labor Gross Profit Retention % (current month)

Total Service Department Gross Profit Retention % (current month)

Desired Overall Service Department Gross Profit Retention % (current month)

Desired Proficiency Percentage (minimum 100%, maximum 125%)

Average Parts Sales Dollars per Customer Pay R.O. (current month)

Average Labor Sales Dollars per Customer Pay R.O. (current month)

Posted Labor Rates:

Customer Pay Labor

Warranty/PDI/NVI/ROAD READY

Internal

Number of Actual Clock Hours Worked by Service Technicians

Number of Service Advisors

Number of Flat Rate Service Techs

Number of Stalls

Hours Available per Technician per Day

Customer Pay Labor Hours Produced (Per DMS System) (current month)
Warranty Labor Hours Produced (Per DMS System) (current month)
Internal Labor Hours Produced (Per DMS System) (current month)
PDI/NVI Labor Hours Produced (Per DMS System) (current month)
Annual Number of Hours Purchased per Customer
Average Month Labor Sales (excluding internal & PDI/NVI)

PARTS DEPARTMENT

Parts and Accessories Inventory per balance sheet)

Number of Parts Countermeasures - Front Counter & Back Counter

Average Cost of Sale of a Parts Transaction

Total Parts Department Expense (current month & YTD)

Total Parts Department Sales (current month & YTD)

Total Parts Department Gross Profit (current month & YTD)

Total Parts Department Operating Profit or Loss (current month)

Parts Warranty Claim Sales (current month & YTD)

Parts Warranty Claim Gross Profit (current month)

Parts Warranty Claim Other Sales (current month & YTD)

Warranty Claim Other Gross Profit (current month)

Part Cars R.O. Sales (current month & YTD)

Parts Cars R.O. Gross Profit (current month)

Parts Light Duty Trucks R.O. Sales (current month & YTD)

Parts Light Duty Trucks R.O. Gross Profit (current month)

Parts Customer R.O. Other Sales (current month & YTD)

Parts Customer R.O. Other Gross Profit (current month)

Parts Body Customer R.O.Sales (current month & YTD)

Parts Body Shop Customer R.O. Gross Profit (current month)

Parts Internal Sales (current month & YTD)

Parts Internal Gross Profit (current month)
Parts Counter - Retail Sales (current month & YTD)
Parts Counter - Retail Gross Profit (current month)
Parts Wholesale Sales (current month & YTD)
Parts Wholesale Gross Profit (current month)
Total Parts Department Gross Profit Retention % (current month & YTD)
Parts R.O. Gross Profit % (current month)
Y.T.D. Discounts & Adjustments (Enter same sign as on F/S)
Gas, Oil & Grease Inventory per Balance Sheet
Tire Inventory per Balance Sheet
Cost of a Part to be Marked Up
Desired Gross Profit Retention % on Part to be Marked Up

TOTAL FIXED OPERATIONS

Service, Parts & Body Shop Receivables per Balance Sheet
Warranty Receivables per Balance Sheet
Total Dealership Expense (current month)
Total Dealership Pretax Profit - Y.T.D.
Service Gross Profit (current month)
Body Shop Gross Profit (current month)
Parts Gross Profit (current month)
New Vehicle Salespeople Compensation (commissions & salaries) (current month)
New Delivery Expense (current month)
New Policy Work (current month)
Used Vehicle Salespeople Compensation (commissions & salaries) (current month)
Used Delivery Expense (current month)
Used Policy Work (current month)
Frequency of Warranty Credit Payments:
Select One Percentage & One Number of Days Below:
If Paid Weekly, Enter 25%
If Paid Semi-Monthly, Enter 50%
If Paid Monthly, Enter 100%
If Paid Weekly, Enter 7.5 Days
If Paid Semi-Monthly, Enter 15 Days
If Paid Monthly, Enter 30 Days
Parts RO Gross Profit % (current month)

NEW VEHICLE DEPARTMENT

Contracts in Transit per Balance Sheet

Vehicle Receivable (includes dealer trades and wholesale) per Balance Sheet

Total New Vehicle Gross Profit Front & Back (current month) (per income statement)

Total New Vehicle Inventory Dollars & Units per Balance Sheet

New Vehicle Inventory Summary

Wholesale Floor Plan Interest Rate (current month)

New Vehicle Inventory Ageing Dollars:

Over 120 days Old

Floor Plan Interest Rate (current month)

New Vehicle Inventory Days & Months Supply:

Guide:

New Vehicle Inventory Calendar Year Inventory Turns:

Guide:

New Vehicle Department Average Gross Profit per Copy - Front & Back Above the Line:

Enter the appropriate guide found below in the cell to the right:

Guide: Domestic - \$1,800

Guide: Highline - \$2,500

Guide: Import - \$1,700

New Vehicle Average Gross Profit per Copy - Front & Back Including Below the Line Factory Line

Enter the appropriate guide found below in the cell to the right:

Guide: Domestic - \$2,400

Guide: Highline - \$3,300

Guide: Import - \$2,200

New Salespersons Compensation (current month)

New Policy Expense (current month)

New Get Ready/Delivery Expense (current month)

New Advertising Expense (Net of Credits) (current month)

New Floor Plan Interest Expense (Net of Credits) (current month)

New Total Department Expense - Y.T.D.

New Car Retail Gross Profit (Front Only) PNVR (Current Month)

Total New Car and Truck Retail Sales, Gross Profit & Units YTD (front-end only)

New Vehicle Factory Incentive Money Posted "Below the Line" on Financial Statement (current month)
in Net Adds & Deducts (Includes "DOC" Fees & Factory Incentive money) Must locate balances on G/L.

Total New Car & Truck F&I Sales & Gross Profit YTD (back-end only)

Total New Car and Truck Retail Sales, Gross Profit & Units YTD (Including F&I, DOC Fees & Below the Line Money)

Total New Car & Truck Retail Sales Dollars Front & Back & Retail Units Sold (current month)

Total New Car and Truck Retail Gross Profit (Front-End Only) (current month)

Total New Car and Truck Retail F&I Income (back-end only) (current month)

Total New Car & Truck Retail Gross Profit (Front & Back) & Retail Units Sold (current month)

Number of New Vehicles Sold at Retail (current month)

New Vehicle Retail Units Sold During the Last 3 Days of the Study Month

USED VEHICLE DEPARTMENT

Total Used Vehicle Inventory Dollars & Units per Balance Sheet

Used Vehicle Retail Units Sold During the Last 3 Days of the Study Month

Total Used Vehicle Retail Sales, Gross Profit & Retail Units Sold YTD (Including F&I) (No Wholesale)

Used Car & Truck Retail Sales Dollars (Front & Back) & Retail Units Sold Current Month

Used Vehicle Average Gross Per Copy Front & Back Above the Line: Enter the appropriate guide below:

Guide: Domestic \$2,800

Guide: Highline - \$3,000

Guide: Import - \$2,500

Used Vehicle Daily Holding Cost: Enter the appropriate guide below:

Domestic & Import: \$50

Highline: \$150

Total Used Vehicle Department Gross Profit including wholesale & F&I (current month)

Total Used Vehicle Retail Gross Profit Front & Back (current month)

Used Total Department Expense - Y.T.D.

Total Used Car and Truck Retail Sales, Gross Profit & Retail Units Sold YTD (front-end only) (No Wholesale)

Total Used Vehicle Retail Gross Profit YTD (Including F&I) (No Wholesale)

Used Car & Truck Retail Sales, Gross Profit & Retail Units Sold (Front & Back) Current Month

Used Vehicle "Below the Line" Factory Incentive Money & DOC Fees (current month & YTD)

Total Used Vehicle Retail Units Sold (Including F&I) - Y.T.D.

Used Vehicle Wholesale Sales & Gross Dollars - Y.T.D.

Used Vehicle F&I Gross Dollars - Y.T.D.

Used Salespersons Compensation (current month)

Used Policy Expense (current month)

Used Delivery Expense (current month)

Used Total Vehicle Department Expenses - Y.T.D.

Total Used Vehicle Gross Profit Y.T.D. (All-In)

TOTAL VARIABLE OPERATIONS

Total New Car and Truck Retail Sales, Gross Profit & Units Sold YTD (Front-End Only)

Total Used Car & Truck Retail After Reconditioning YTD ((Front-End)

Used Car Reconditioning (If Not a Memo) YTD (If a Memo, Enter a Zero)

Used Truck Reconditioning (If Not a Memo) YTD (If a Memo, Enter a Zero)

Total New Vehicles Sold at Retail - Current Month

TOTAL DEALERSHIP OPERATIONS

Cash on Hand per Balance Sheet

Cash in Bank per Balance Sheet

Marketable Securities per Balance Sheet

Factory Holdback Receivable per Balance Sheet

Total Dealership Gross Profit (current month)

Total Dealership Expense Y.T.D.

Demonstrators per Balance Sheet

New Vehicle Inventory- Cars per Balance Sheet

New Vehicle Inventory- Trucks per Balance Sheet

New Vehicle Inventory LIFO Reserve at 100% (Only Enter if an Asset) per Balance Sheet For GM Dealers Only

New Vehicle Inventory LIFO Reserve at 100% (Only Enter if an Asset) per Balance Sheet For Non GM Dealers C

New Vehicle Inventory LIFO Reserve at 100% (Only Enter if a Liability) per Balance Sheet For Non GM Dealers

Used Vehicle Inventory LIFO Reserve at 100% (Only enter if an Asset) per Balance Sheet For GM Dealers Only

Used Vehicle Inventory LIFO Reserve at 100% (Only enter if an Asset) per Balance Sheet For Non GM Dealers (

Used Vehicle Inventory LIFO Reserve at 100% (Only enter if a Liability) per Balance Sheet For Non GM Dealers

Parts and Accessories Inventory LIFO Reserve at 100% (Only Enter if an Asset) per Balance Sheet For GM Dea

Parts and Accessories Inventory LIFO Reserve at 100% (Only Enter if an Asset) per Balance Sheet For Non GM

Parts and Accessories Inventory LIFO Reserve at 100% (Only Enter if a Liability) per Balance Sheet For Non GM

Current Assets (Non-GM Dealers Only) per Balance Sheet

Current & Working Assets (GM Dealers Only) per Balance Sheet

Total Assets

Notes Payable - New Vehicles & Demos per Balance Sheet

Total Current Liabilities per Balance Sheet (Non-GM Dealers Only)

Total Current Liabilities per Balance Sheet (GM Dealers Only)

Current Portion of Long-Term Debt (Toyota & KIA) per Balance Sheet

Qualified Long Term Debt (Ford Only) per Balance Sheet

Long-Term Debt per Balance Sheet

Total Liabilities

Total Net Worth

Deferred Taxes: Long-Term Debt per Balance Sheet (GM Dealers Only)

Working Capital Standard per Balance Sheet (GM Dealers Only)

Working Capital Minimum, Requirement or Guide per Balance Sheet (Non GM Dealers Only)

Total Number of Days in Month

Total Number of Dealership Employees (of one dealership)

Total Number of Dealership Employees (of multiple dealerships using a consolidated
accounting office)

Number of Dealerships Covered by the Consolidated Accounting Office

Total Number of Accounting Personnel (do not include cashiers or receptionists
greeters, telephone operators or warranty administrators/clerks) (use if one dealership only)

Total Number of Accounting Personnel (do not include cashiers or receptionists
greeters, telephone operators or warranty administrators/clerks) (Use if consolidated accounting office)

Total Dealership Sales (current month)

Total Dealership Gross Profit (current month)

Total Dealership Sales - Y.T.D.

Total Dealership Expense - (current month)

Total Dealership Expense - Y.T.D.

Total Dealership Pretax Profit (current month)

Total Dealership Pretax Profit Y.T.D.

Total Dealership Net Profit Objective Desired

Bonuses - Employees (current month)

Bonuses - Owners (current month)

Total Salaries Owners (current month)

Total Salaries Clerical (current month)

Total Other Salaries & Wages & Absentee Comp (current month)

Total Service, Parts & Body Shop Salaries Supervision (current month)

New Vehicle Gross Profit (current month) (front & back)

Lease and Rental Gross (GM Only) (current month)

Used Salespersons Compensation (current month)

Used Policy Expense (current month)

Used Get Ready/Delivery Expense (current month)

New Total Variable Expense (current month)

Used Total Variable Expense (current month)

New Finance & Insurance Manager compensation (current month)

New Sales Managers Compensation (current month)

Used Finance & Insurance Manager compensation (current month)

Used Sales Managers Compensation (current month)

Total New Car & Truck Retail Gross Profit Dollars Front & Back (current month)

New Vehicle Retail Gross Profit PNVR YTD (Front & Back)

New Car Fleet Gross Profit (Current Month)

New Truck Fleet Gross Profit Current Month)

Used Vehicle Retail Gross PUVR YTD (Front & Back)

Service Policy Expense (current month)

Parts Policy Expense (current month)

Body Shop Policy Expense (current month)

Total Fixed Operations Salaries Owners (current month)

Total Fixed Operations Salaries Supervision (current month)

Total Fixed Operations Clerical Salaries (current month)

Total Fixed Operations Other Salaries & Wages (current month)

Total Fixed Operations Absentee Compensation (current month)

Select the appropriate guide below:

Hours Per R.O. (Enter 2.0 hrs if Domestic)

Hours Per R.O. (Enter 2.5 hrs if Import)

Hours Per R.O. (Enter 3.0 hrs if Highline)

Parts Internal Gross Profit Retention % (current month)

Parts Warranty Gross Profit Retention % (current month)

Parts Counter Retail Gross Profit Retention % (current month)

Parts Wholesale Gross Profit Retention % (current month)

Parts Body Shop Gross Profit Retention % (current month)

Other Additions & Deductions (current month)

Data Entry Completed - Save Your Work



9,362
1
12
26
896,282

(fixed amount - do not change)

3.0

73%
73%
73%

(fixed amount - do not change)

(fixed amount - do not change)

(fixed amount - do not change)

Current Month

Y.T.D.

1,561,611	1,561,611	
1,126,635	1,126,635	
1,117,270	1,117,270	
230,353	230,353	Current Month R.O Count
777,820	777,820	2,903
614,709	614,709	
0		
0		
0		
0		
246,825	246,825	1,483
217,743	217,743	
0		
0		
111,926	111,926	382
108,196	108,196	
290,995	290,995	1,121
240,513	240,513	
82.70%	82.70%	
79.00%	79.00%	
88.20%	88.20%	
96.70%	96.70%	
72.10%	72.10%	
75%	75%	
125.00%	(fixed amount - do not change)	
121	(parts RO sales divided by CP Repair Order Count)	
268	(customer pay mechanical labor sales divided by CP Repair Or	

\$	170.00	
\$	146.50	
\$	128.00	
5,820	(per service DMS report to get figure)	
19	(per personnel summary)	
52	(per personnel summary)	
62	(per service manager)	
8	(per service manager)	

6,609.50	
1,692.85	
3,913.05	
764.00	
6	(fixed number - do not change)
1,024,645	

--

744,060

8	(per personnel summary on financial statement)
100	(fixed amount - do not change)

Current Month	Y.T.D.
184,484	184,484

Current Month	Y.T.D.
1,380,330	1,380,330
392,674	392,674
208,190	208,190

Current Month	Y.T.D.
193,034	193034
71,694	71,964
0	
0	
350,064	350064
157,181	157,181
0	
0	
0	
0	
397,373	81,142
81,142	
77,227	77,227

15,477	15,477
10,752	10,752
2,800	2,800
49,087	49,087
9,190	9,190
28.30%	28.30%
27.9%	27.9%
	(2,497)
0	
135,866	
251.93	(Fixed Amount- Do Not Change)
20%	(Fixed Amount- Do Not Change)

216,558
185,447
1,987,245
232,617
1,126,635
0
392,674
215,451
10,112
5,126
106,588
3,907
3,509

25%	(per Controller)
	(per Controller)
	(per Controller)
7.5	(per Controller)
	(per Controller)
	(per Controller)
28.30%	

2,141,364
1,113,100

30,004

Dollars	Units
31,734,999	692

3.50%	(per floor plan bank wholesale statement)
-------	---

\$	2,947,605
----	-----------

3.50%	(per wholesale floor plan statement)
-------	--------------------------------------

Days Supply	Months Supply	
60	2.0	(do not change guides)

Calendar Year	
Inventory Turns	
6.0	(do not change guide)

\$ 2,500

\$ 3,300

215,451

5,126
10,112
64,332
(216,265)
606,261

(152,708)

YTD Sales Dollars	YTD Gross Profit	YTD Units
15,496,167	-152,708	339

Current Month DOC Fees & Factory Incentive Money	YTD DOC Fees & Factory Incentive Money
326,169	326,169

YTD Sales Dollars	YTD Gross Profit
232,942	172,361

YTD Sales Dollars	YTD Gross Profit	YTD Units
15,729,109	345,822	339

Current Month Sales Dollars	Current Month Retail Units (Cars & Trucks)
15,496,167	339

Current Month Gross Profit
-152,708

Current Month F&I Income
232,942

Current Month Retail Gross Front & Back	Current Month Retail Units (Cars & Trucks)
80,234	339

339

of New Units

Sold at Retail

Last 3 Days of Month

49 (per delivery log)

Dollars

Units

6,106,555

272

of Used Units

Sold at Retail

Last 3 Days of Month

24 (per delivery log)

YTD

Sales Dollars

5,381,218

YTD

Gross Profit

263,111

YTD

Retail Units Sold

156

Current Month

Sales Dollars

5,545,033

Current Month

Units Retailed

156

Average Gross

Front & Back Above the Line

Domestic

\$ 3,000 **Highline**

Import

Used Vehicle Daily

Holding Cost

\$ 150

387,548

156

300,218

YTD Sales Dollars	YTD Gross Profit	YTD Units
5,381,218	263,111	156

YTD Retail Gross Front & Back
342,506

Current Month Retail Sales Front & Back	Current Month Retail Gross Front & Back	Current Month Retail Number of Units
5,545,033	156	156

Current Month	YTD
0	

Y.T.D. Units Sold
156

Y.T.D. Sales Dollars	YTD Gross Profit
888,850	45,042

YTD Used Vehicle F&I Gross
124,437

106,588
3,509
3,907

300,218

387,548

YTD Sales Dollars	YTD Gross Profit Dollars	YTD Units Sold
15,496,167	(152,708)	339
YTD Sales Dollars	YTD Gross Profit	
5,381,218	263,111	
YTD		
Recon Dollars		
0		
YTD		
Recon Dollars		
0		
Current Month		
339		

800
2,687,232
0
0
1,629,712
1,987,245

dollars
0
692
0
0
0
0
0

0
0
0
0
0
55,654,721
59,555,924
3,557,824
46,945,632
0
278,000
0
950,240
48,125,866
11,197,440
0
7,665,179
30 (fixed number - do not change)
215 (per personnel summary on financial statement)
0 (per personnel summary on financial statement)

4 (per controller or office manager)
28 (per controller or office manager)

28 (per controller or office manager)

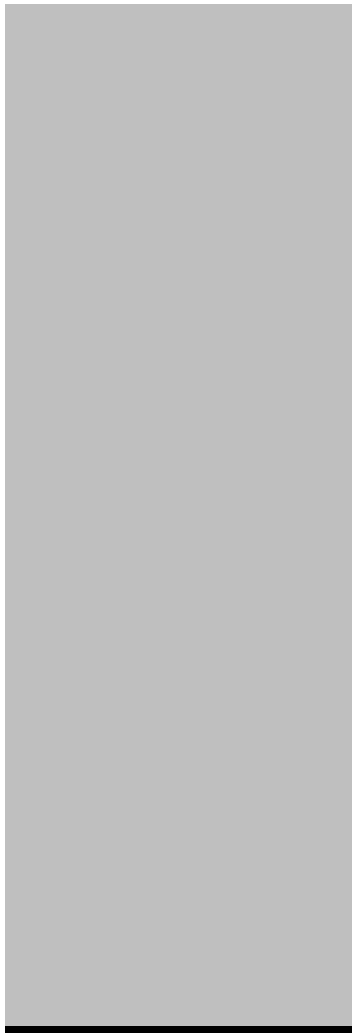
23,819,326	
1,629,712	
23,819,326	
1,987,245	
1,987,245	
232,617	
232,617	
474,982	

0
0
93,986
112,494
163,896
-152,708
0
106,588
3,509
3,907
230,689
114,004
n/a
49,756
n/a
24,726
80,234
1,020
0
0
2,196
31,433
1,922
0
0
89,414
70,215
84,676
25,089

3.0
20.04%
37.14%
26.04%

	18.72%
	0.00%
\$	138,586





YTD R.O. Count

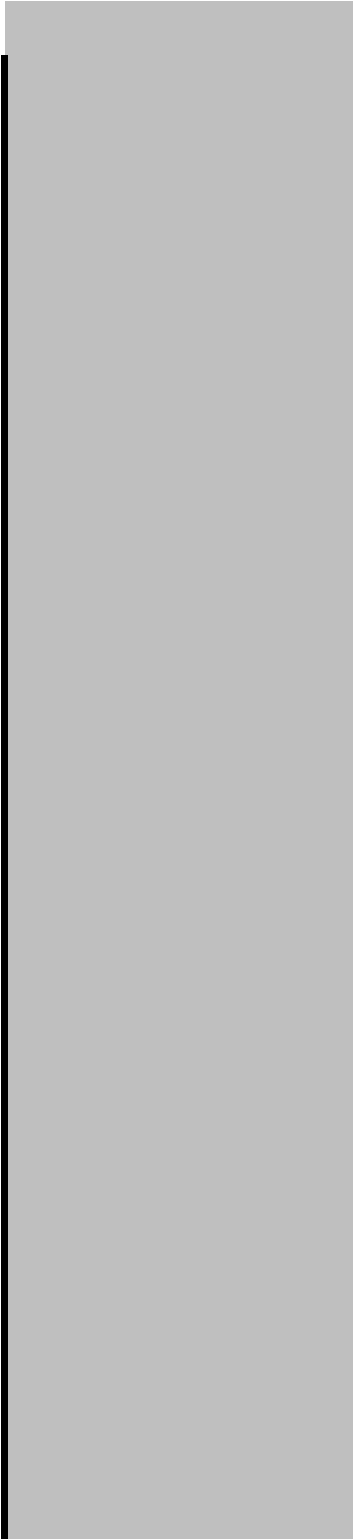
2,903

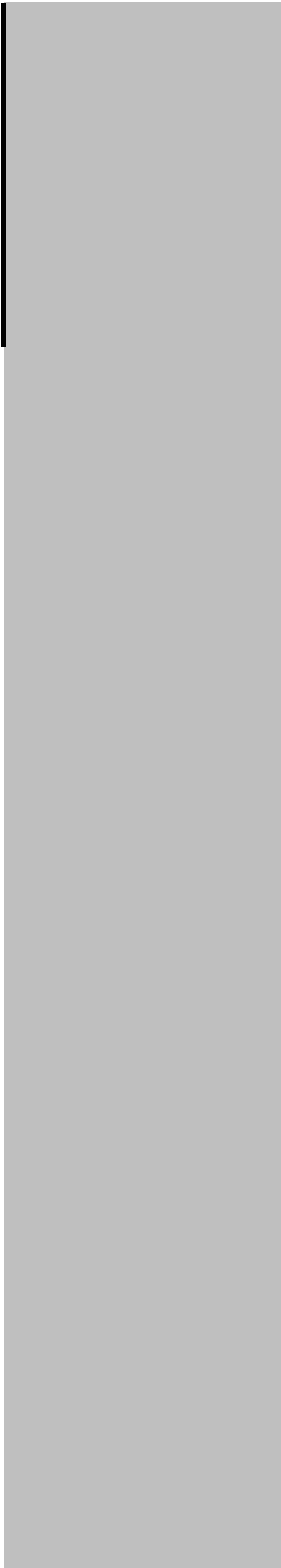
1,483

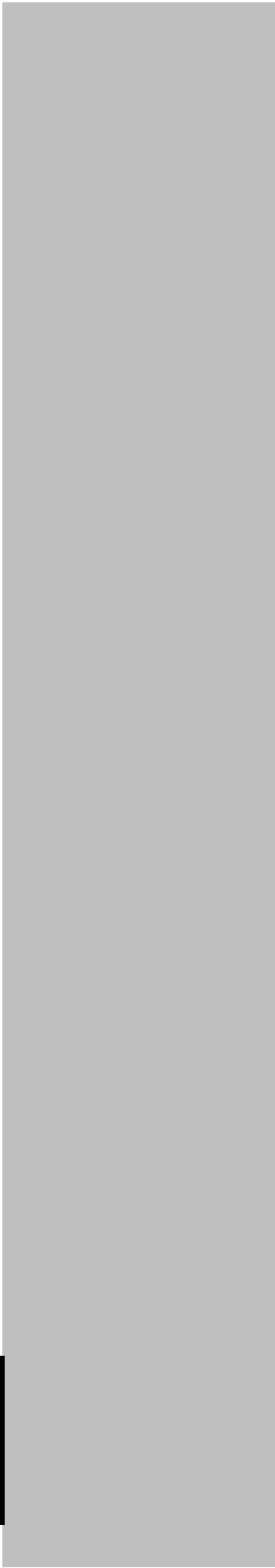
382

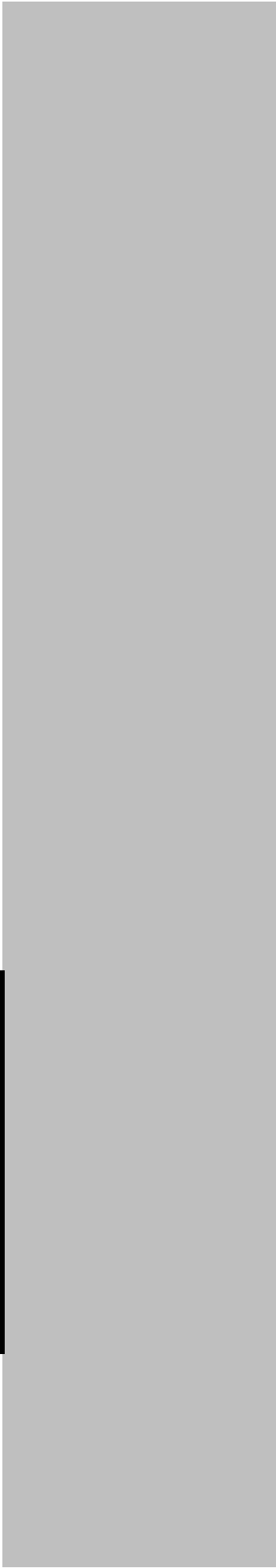
1,121

der Count)

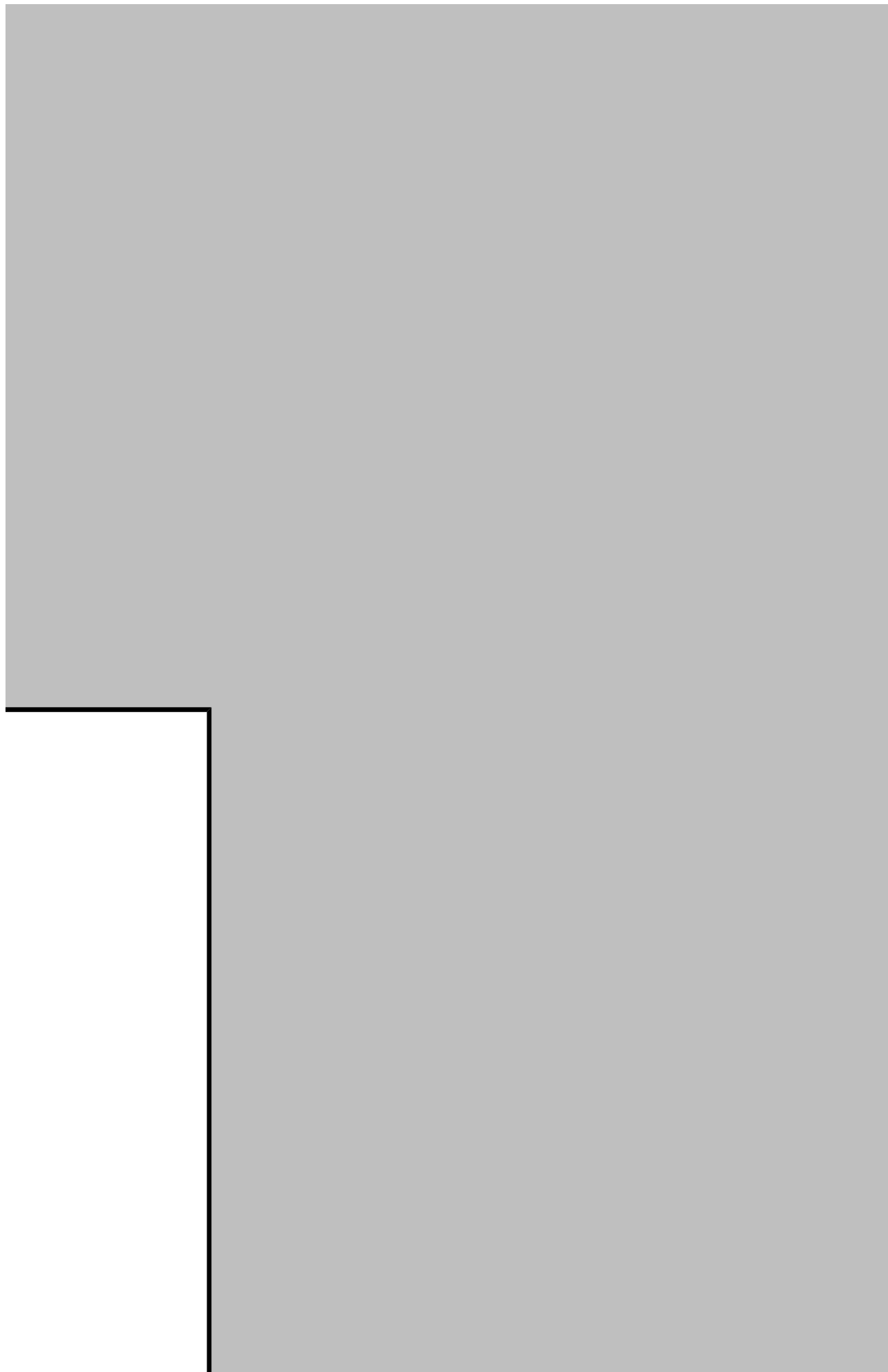


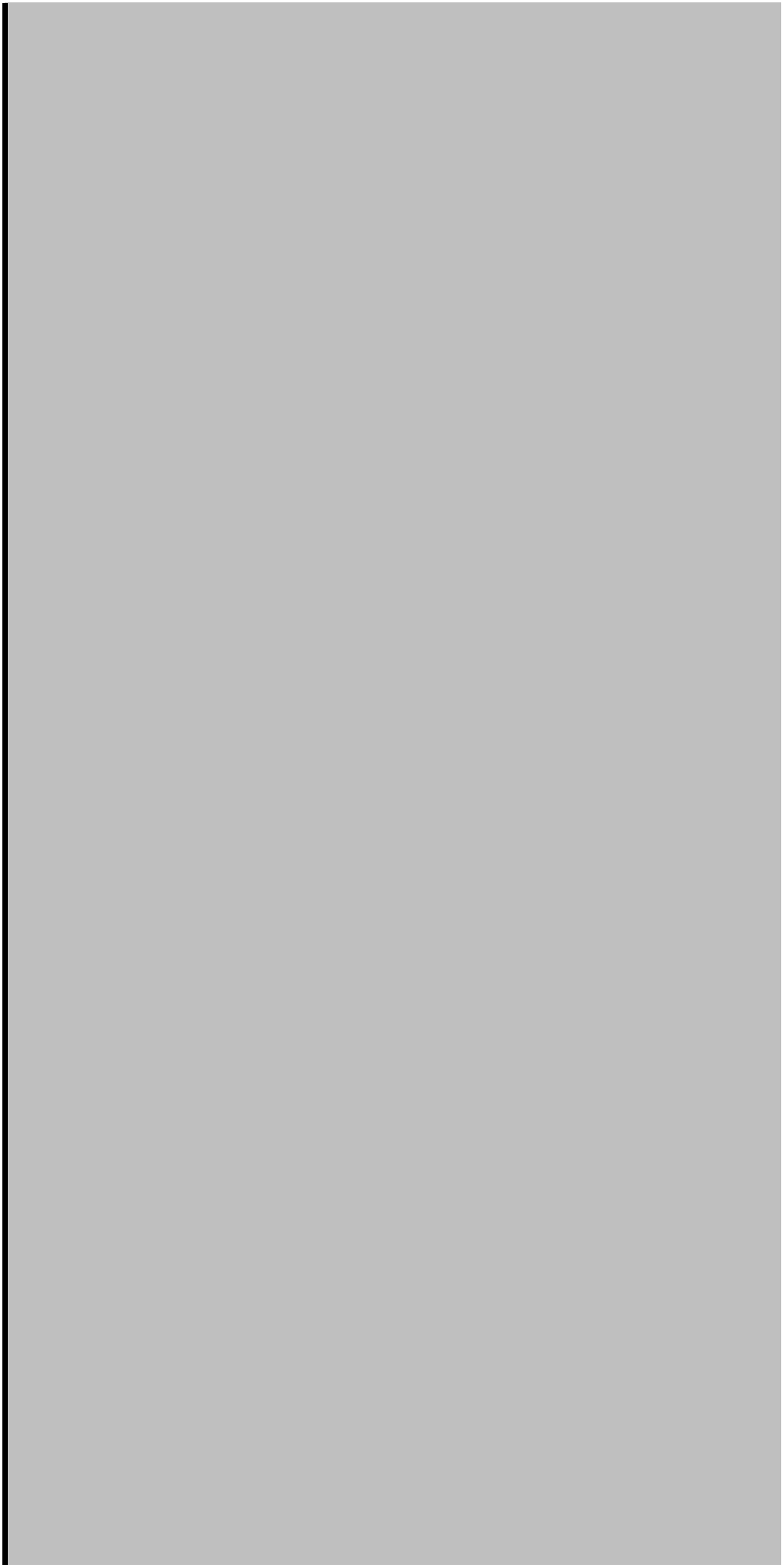


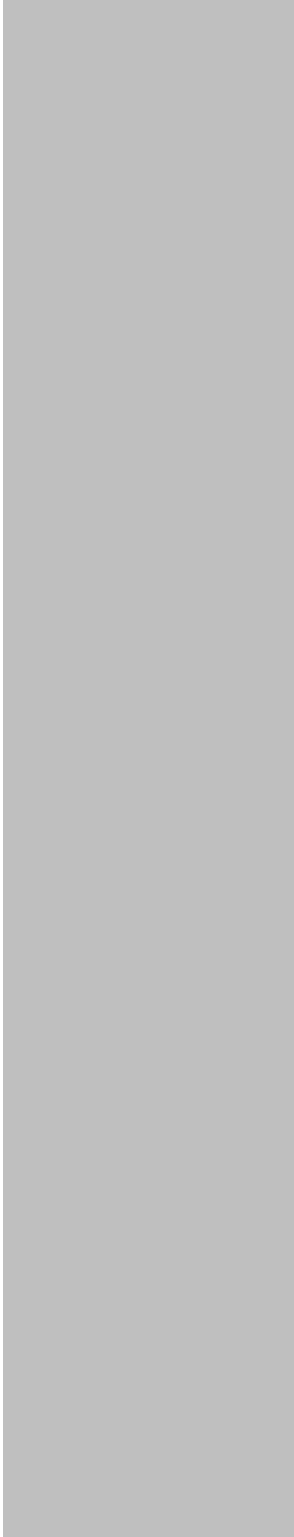




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Additional Sales Dollars to Recover \$100 "Lost Dollars"

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Additional Sales Dollars to Recover \$100 Lost Dollars

"Lost Dollars" are dollars spent on items such as policy adjustments, unapplied time, inventory shortages and bad debt expense.

Note: Put a \$ sign in front of your net profit as % of sales. If your net profit as a percentage of sales is 2.0%, this means you are retaining two cents for every dollar of sales generated, or \$2.00 for every \$100 of sales generated.
Statement Month

Step 1: Net Profit Before Taxes Average Month
Divide by Total Dealership Sales Average Month
Equals Net Profit As % of Sales

Step 2: "Lost Dollars" (A)
Divide by Net Profit As % of Sales
Equals Additional Sales Required to cover \$100

Step 3: Policy Expense all departments current month
Divide by Net Profit As % of Sales
Equals Additional Sales Required to cover policy expense

Divide by Net Profit As % of Sales
Equals Additional Sales Required to cover?

(A) Lost dollars are defined as dollars spent on such items as Policy Adjustments, Unapplied Time, parts and other inventory shortages, bad debt expenses, etc.

ollars

plied time,

: as
every

1

	\$ 232,617
÷	\$ 23,819,326
=	0.98%

	\$ 100
÷	0.98%
=	\$ 10,240
	\$ 41,990
÷	0.98%
=	\$ 4,299,658

	\$ 1.00
÷	0.98%
=	\$ 102

Turning Metrics Into Money

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[Summary of Profit Opportunities - Variable Operations](#)

Total Dealership Gross Profit as % Total Dealersh

Total Dealership Gross Profit - Average Month

Total Dealership Sales ÷

Total Gross Profit as % Total Sales =

Guide: **12%**

Interpretation: For every dollar of sales generated,

\$ - cents are retained in gross profit.

**HOW MUCH OF YOUR SALES DOLLARS
ARE BEING RETAINED IN GROSS PROFIT?**

**If benchmark were achieved with the same total sales,
total gross profit would increase by **\$ 2,858,319****

Net Profit BIT as % of Total Dealership Gross

Net Profit BIT

Total Dealership Gross Profit ÷

Net Profit BIT as % of Total Gross Profit =

Guide: 25%

Interpretation: For every dollar of gross profit generated, #DIV/0! cents goes to the bottom line.

HOW MUCH OF YOUR GROSS IS FLOWING TO THE BOTTOM LINE?

If benchmark were achieved with the same total gross profit, total Net Profit BIT would increase by #DIV/0!

Net Profit BIT as % Total Dealership Sale:

Net Profit BIT

Total Dealership Sales Dollars ÷

Net Profit BIT as % of Sales Dollars =

Guide: 4%

Interpretation: For every dollar of sales generated, \$ 0.01 cents goes to the bottom line. **HOW MUCH OF YOUR SALES DOLLARS FLOW TO THE BOTTOM LINE?**

If benchmark were achieved with the same total dealership sales, total Net Profit BIT would increase by \$ 720,156



Ship Sales

\$ -

\$ 23,819,326

0.00%

Profit

\$ 232,617

\$ -

#DIV/0!

S

\$ 232,617

\$ 23,819,326

0.98%

les dollars,

Accounting Office Staffing

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Accounting Office Staffing

Purpose: To determine the correct number of accounting employees needed in your accounting department.

Accounting Office Staffing for One Dealership:

$$\begin{array}{rcl} \boxed{215} & \div & \boxed{17} = \boxed{12.6} \\ \text{Total Dealership} & \text{Factor} & \text{\# Accounting Staff} \\ \text{Employees} & & \text{Needed} \end{array}$$

Accounting Office Staffing for a Consolidated Accounting Office:

$$\begin{array}{rcl} \boxed{0} & \div & \boxed{17} = \boxed{0.0} \\ \text{Total Dealership} & \text{Factor} & \text{\# Accounting Staff} \\ \text{Employees In} & & \text{Needed} \\ \text{All Stores} & & \end{array}$$

Guide: 1 accounting person for every 17 employees in the multiple dealerships using a consolidated accounting office. The total count of all dealerships divided by the factor of 17, and the result is the number of accounting employees needed. This takes into account the efficiencies in the Deal Costing consolidated accounting office.

Interpretation: Identifies the proper number of employees needed in the accounting office, based on total dealership employees.

Accounting Office Staffing

personnel

$$\begin{array}{rcl} \boxed{28.0} & = & \boxed{15.4} \\ \text{Actual \#} & & \text{Variance} \\ \text{Accounting Staff} & & \text{Over (Under)} \end{array}$$

Accounting Office:

$$\begin{array}{rclclcl} \boxed{4.0} & = & \boxed{-4.0} & - & \boxed{28.0} & = & \boxed{32.0} \\ \text{Reduction in} & & \text{\# Accounting Staff} & & \text{Actual \#} & & \text{Variance} \\ \text{Staff} & & \text{Needed} & & \text{Accounting Staff} & & \text{Over (Under)} \\ \text{Efficiency Factor} & & & & \text{in Consolidated} & & \\ & & & & \text{Accounting Office} & & \end{array}$$

dealership. If there are
e, take the total employee
educt 4 accounting staff
g, A/R, A/P and Payroll functions of a

needed in the

Evaluating the Accounting Staff

It is difficult to evaluate the accounting office on an objective basis. Experienced C.P.A.'s have a different approach to the automobile business than does the Controller. The following standards of performance should serve as the basis in evaluating the performance of the accounting office.

1. Completion and transmission of the financial statement(s) no later than the 3rd working day of the following month.
2. Support ratio of 1:17
3. Limited and very controlled overtime expense.
4. Clean and accurate schedules.
5. All account reconciliations performed in an accurate and timely manner.
6. Ongoing strong internal controls in effect.
7. High degree of delegation and follow up by Controller. Inspect what you expect.
8. Low staff turnover.
9. Respect and cooperation between the accounting staff and other departments.
10. Strong management support in place. Data and processes in place and available to department managers.
11. High level of asset management in operation, strong cash flow controls, expense controls evident.
12. Accurate and current Daily Operating Control (DOC) in place.
13. Accurate and current Daily Pace Report

14. Bonus your accounting staff based on retail and wholesale deal volume ageing, and a pull board for extra effort.

anced automotive
Controller.
ating the

ie

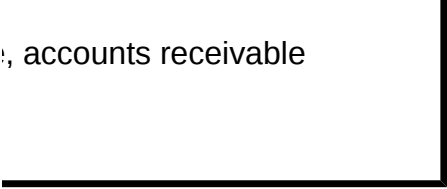
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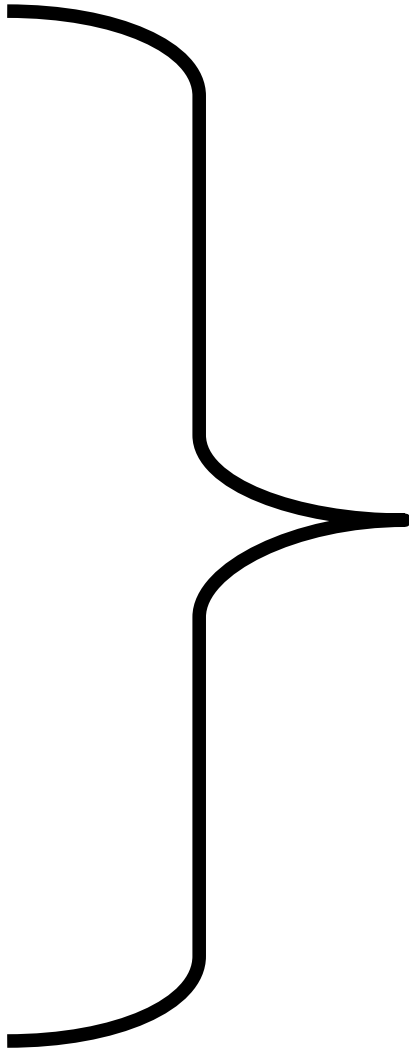
nents.

readily

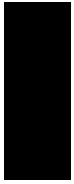
and

, accounts receivable









—

Service Department Gross Profit Return on Sales

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[summary of monthly profit opportunities - Fixed Operations](#)

Service Department

Average Month

NADA Guides:

Customer Pay Profile

73%

Internal Labor Profile

73%

Warranty Labor Profile

73%

PDI/Get Ready

73%

$$\begin{array}{rcccl} \$ & 614,709 & \div & \$ & 777,820 & = \\ \text{Customer Pay} & & & \text{Customer Pay} & & \\ \text{Gross Profit} & & & \text{Sales} & & \end{array}$$

$$\begin{array}{rcccl} \$ & 240,513 & \div & \$ & 290,995 & = \\ \text{Internal Labor} & & & \text{Internal Labor} & & \\ \text{Gross Profit} & & & \text{Sales} & & \end{array}$$

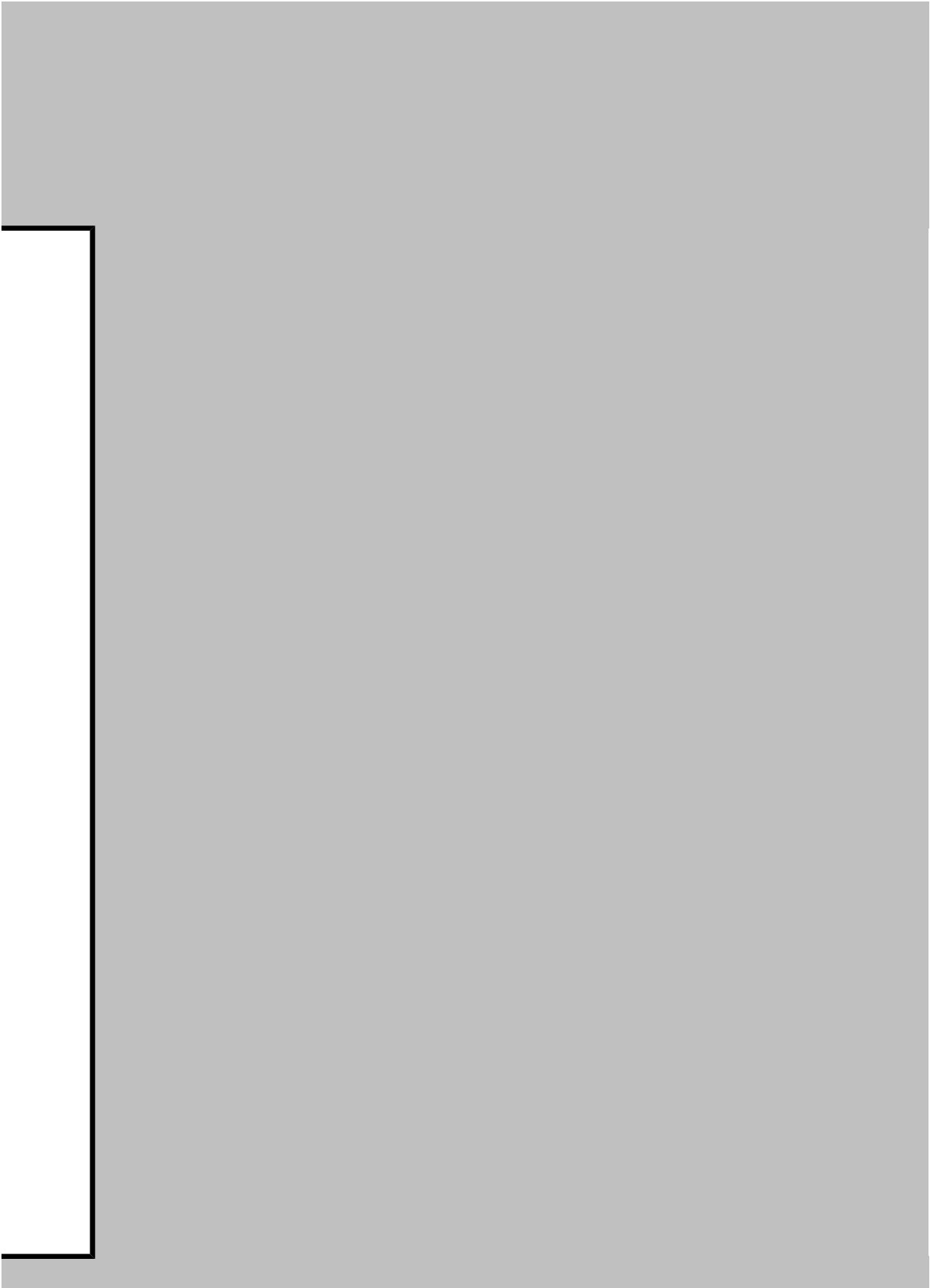
$$\begin{array}{rcccl} \$ & 217,743 & \div & \$ & 246,825 & = \\ \text{Warranty Labor} & & & \text{Warranty Labor} & & \\ \text{Gross Profit} & & & \text{Sales} & & \end{array}$$

$$\begin{array}{rcccl} \$ & 108,196 & \div & \$ & 111,926 & = \\ \text{PDI/NVI} & & & \text{PDI/NVI} & & \\ \text{Gross Profit} & & & \text{Sales} & & \end{array}$$

If your statement breaks down service contracts, you can include them in the total for warranty, unless reimbursed at retail.

Gross Profit Return on Sales

79.03%	-	73.00%	=	6.03%	\$ -
Gross Profit Return on Sales		Guide		Variance Over (Under)	Opportunity
82.65%	-	73.00%	=	9.65%	\$ -
Gross Profit Return on Sales		Guide		Variance Over (Under)	Opportunity
88.22%	-	73.00%	=	15.22%	\$ -
Gross Profit Return on Sales		Guide		Variance Over (Under)	Opportunity
96.67%	-	73.00%	=	23.67%	\$ -
Gross Profit Return on Sales		Guide		Variance Over (Under)	Opportunity
Grand Total					\$ -



Service Department Operating Profit Return on Gross

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[summary of monthly profit opportunities - Fixed Operations](#)

Service Department Operating Prof

Average Month

NADA Guides:
Guide: Domestic
Guide: Import
Guide: Highline

20%
20%
20%

\$230,353

Service Department
Operating Profit

÷

\$1,126,635

Service Department
Gross Profit

=

20.45%

Operating Profit
Return on Gross

-

it Return on Gross

20%	=	0.45%	\$ -
Guide		Variance Over (Under)	Opportunity

Service Department Break-Even

[table of contents](#)

[summary of monthly profit opportunities - fix](#)

Total Service Department Expense

Statement Month

Average Month Service Department

Factor to Break-Even: Total Service

Service Sales Needed per Month

Actual Service Sales Dollars in the

Variance: Actual Service Department

Overall Effective Labor Rate

Hours Produced Needed per Month

Total Actual Hours Produced in the

Variance: Total Actual Hours Produced

Additional Service Sales Needed |

Number of Working Days in Month

Total Actual Hours Produced per Day

How many hours do you need to

Number of Flat-Rate Technicians

How many hours does each tec

Guide: Hours Needed per Day pe

Variance: Hours Produced Need

Service Sales Needed per Day t

Actual Service Sales per Day (A

Variance: Actual Service Sales p

Monthly Gross Profit Opportuni

Total Actual Hours Produced pe

Number of Days to Achieve Bre

en Point

[ed operations](#)

Service Department Break-Even Point

es YTD

nt Expense

ce Department Gross Profit Retention Percentage YTD (enter as %)

to Break-Even

e Month (Average Month)

ient Sales Dollars Over (Under) Service Department Sales Needed in Month to Break-Even

onth to Break-Even

e Month

luced in the Month Over (Under) Hours Produced Needed per Month to Break-Even

per Month to Break-Even

1

Day

o produce per day to break even

h need to produce to break even

r Technician to Break-Even (10 hours or less)

led per Day per Technician to Break-Even Over (Under) Guide

o Break-Even

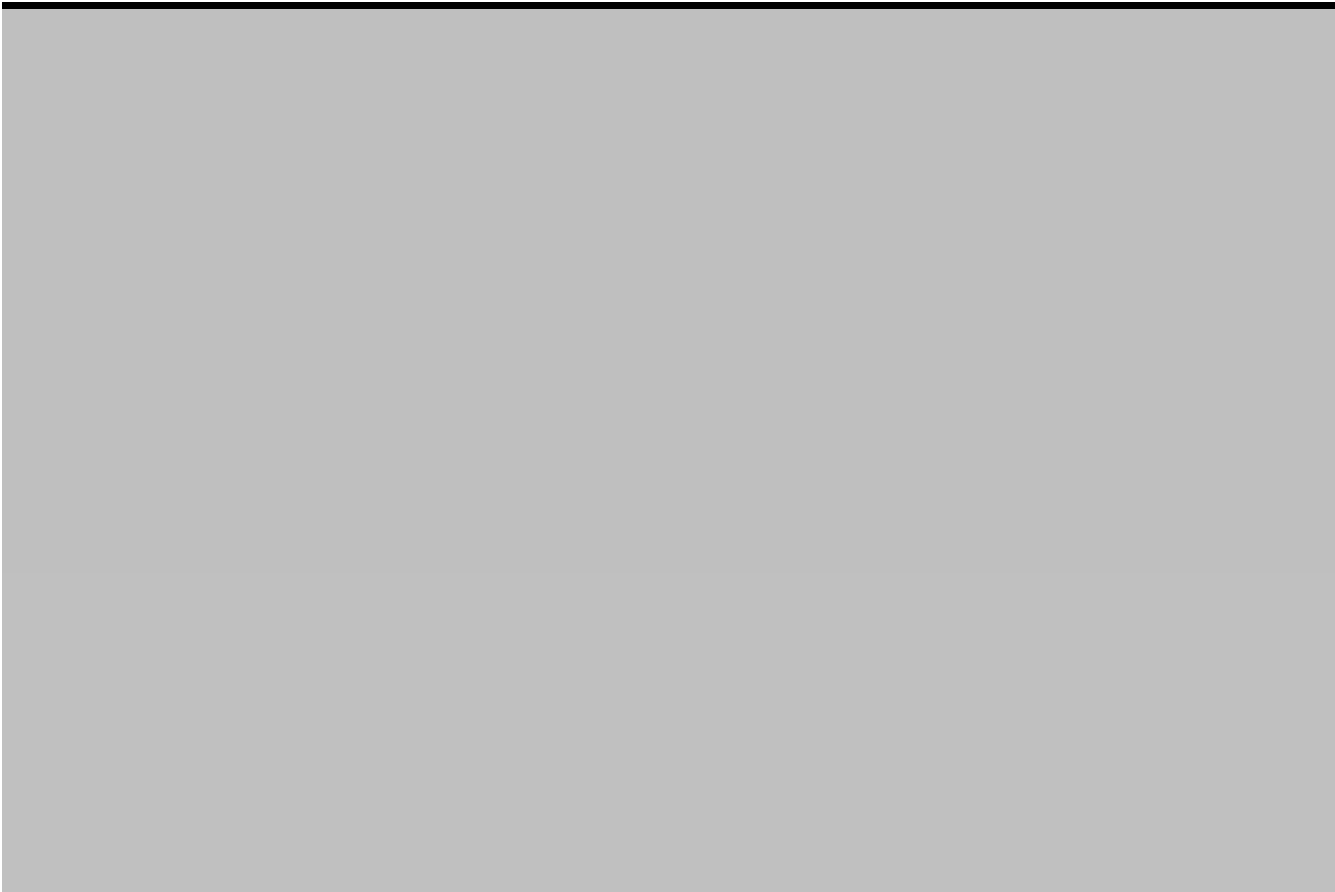
verage Month)

per Day Over (Under) Guide

ty

r Day

ak-Even Point





896,282

÷ 1

= 896,282

÷ 72.10%

= 1,243,110

1,561,611

= 318,501

÷ \$ 1,868.54

= 665

- 764

= 99

(184,456)

÷ 26

29

= 26

÷ 52

= 0.5

- 10.0

= -9.5

47,812

60,062

12,250

\$ -

29

26.6

Hours per Tech per Day Needed

[table of contents](#)

[summary of monthly profit opportunities - fix](#)

Average Month Service Department

NADA Guides:

Guide: Domestic

20%
20%
20%

Guide: Import

Guide: Highline

Factor to Achieve Net Operating Pr
Current Overall Service Labor Gros

Service Sales Needed to Achieve C

Actual Service Sales for the Month

Variance: Actual Service Sales for

Current Overall Effective Labor Rat

Hours Needed per Month to Achi

Actual Hours Produced in the Mc

Variance: Total Actual Hours Produ

Number of Working Days in Month

Actual Hours Produced per Day

Hours Needed per Day to Achiev

Number of Technicians

Hours Needed per Tech per Day to

Actual Hours Produced per Tech

Variance: Actual Hours Produced

Guide: Hours Needed per Day per

Monthly Operating Profit Opportu

Total Actual Hours Produced per

Number of Days to Achieve Oper

ed to Achieve a 20% Service Operating Profit

[ed operations](#)

Hours per Tech per Day Needed to Achieve a 20% Service Operating Profit

it Expenses

ofit Guide Above
is Margin Less Guide % Above

Operating Profit Guide Above

the Month Over (Under) Service Sales Needed to Achieve Operating Profit Guide

e

ave Operating Profit Guide Above

nth

iced in the Month Over (Under) Hours Produced Needed per Month to Achieve Operating Profit Guide

e Operating Profit Guide Above

to Achieve Operating Profit Guide Above

per Day

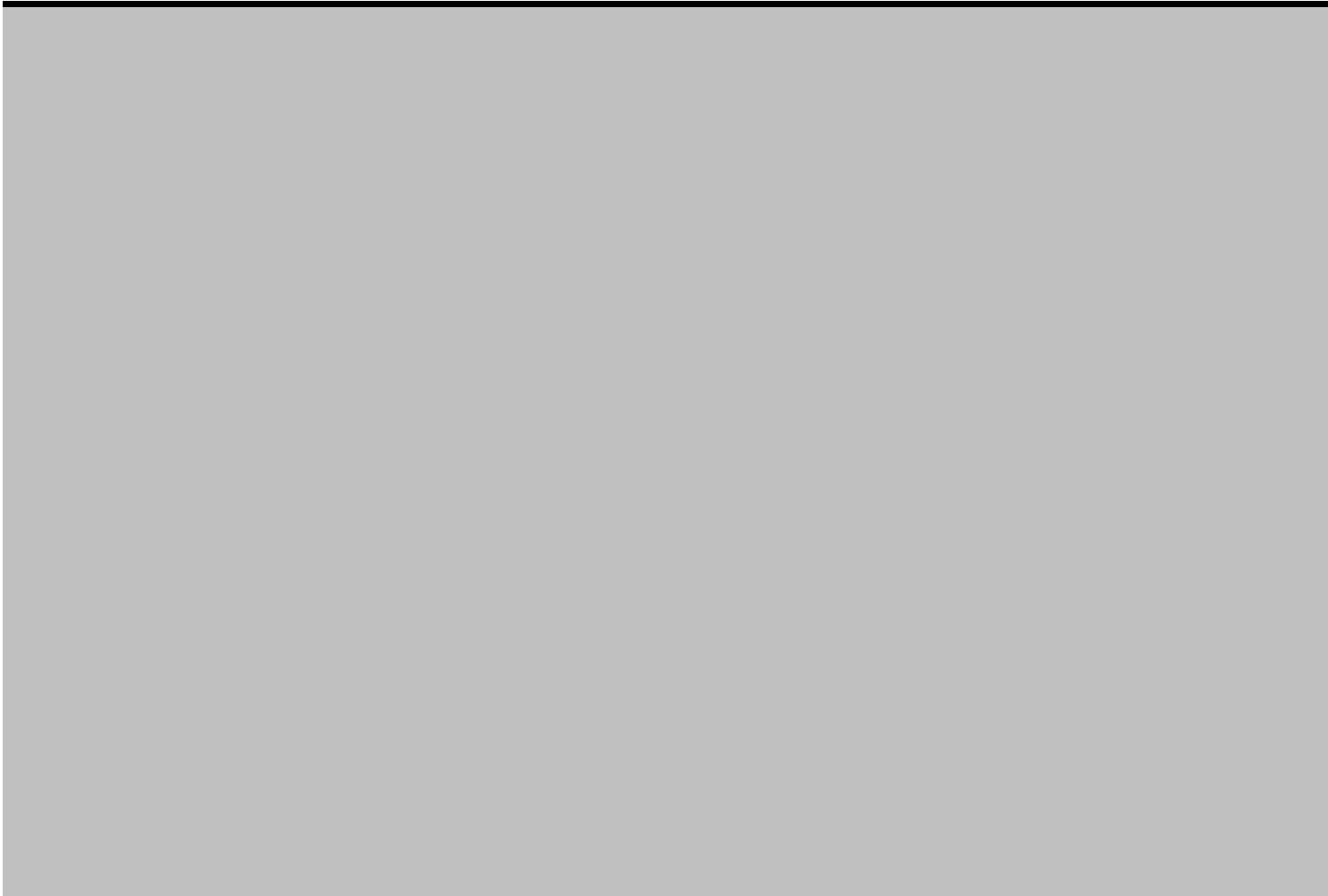
d per Tech per Day Over (Under) Hours Needed per Tech per Day to Achieve Operating Profit Guide

Technician to Achieve Operating Profit Guide (10 hours or more)

unity

Day

ating Profit Guide of 20%



\$ 896,282

÷ 52.10%

= \$ 1,720,311

- \$ 1,561,611

= \$ (158,700)

÷ \$ 1,868.54

= 921

764

(157)

÷ 26

29

= 35

÷ 52

= 0.7

0.6

(0.1)

- 10.0

\$ 152,520

29

35.33

Work in Process Labor Inventory Days' Supply

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[summary of cash flow opportunities - fixed operations](#)

Work in Process Labor Inventory Average Month's Cost of Labor Sales

Total Labor Sales YTD		\$	1,136,571
Total Labor Gross Profit YTD	-	\$	940,648
Total Labor Cost of Sales YTD	=	\$	195,923
Number of Month's Business	÷		1
Average Month's Cost of Labor Sales	=	\$	195,923

Work in Process Labor Inventory Days' Supply

By taking the Work in Process Labor Inventory total from the balance sheet and dividing it by the average daily technician "pay-out", the days supply work in process labor inventory is calculated.

\$ 9,362	÷	\$ 195,923	=	0.05
Work in Process Labor Inventory		Avg Month Cost of Labor Sales		Months Supply of Work in Process

0.05	x	30	=	1.43
Months Supply of Work		Days		Days Supply of Work in Process

Guide: Your days supply of work in process labor inventory should not exceed 1.5 days or 12 hours per technician.

ss Labor Inventory
; Cost of Labor Sales

or Inventory Days Supply

et,
of

-

1.5

NADA Guide

=

-0.07

Variance
Over (Under)

\$-

Monthly
Cash Flow
Opportunity

Service Department Analysis

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[Summary of Monthly Profit Opportunities - Fixed Operations](#)

Curr Avg Mo Hours Produced - Customer Pay Labor

Curr Avg Mo Hours Produced - Warranty Labor

Curr Avg Mo Hours Produced - Internal Labor

Curr Avg Mo Hours Produced - PDI/NVI

Customer Pay Posted "Door Rate"

Warranty/PDI Rate

Internal Rate

Number of Advisors

Number of Stalls

Number of Flat-Rate Technicians

Total Clocked Hours Worked

Statement Month

Acct Name	Avg Month Labor Sales	
Customer Pay - R.O.	\$	777,820 ÷
Internal - R.O.	\$	290,995 ÷
Warranty - R.O.	\$	246,825 ÷
PDI/NVI/ -R.O.	\$	111,926 ÷
Total	\$	1,427,566

Hours Produced Per R.O. Domestic Guide: 2.0

3.0

Hours Produced Per R.O. Import Guide: 2.5

0.0

Hours Produced Per R.O. Highline Guide: 3.0

0.0

OVERALL EFFECTIVE LABOR RATE

\$ 1,427,566 ÷

Total labor sales for month

CLOCK HOURS AVAILABLE

52	X
# Service mechanical technicians	

CUSTOMER PAY EFFECTIVE LABOR RATE (ACTUAL)

\$ 777,820	÷
Total customer labor sales for month	

CUSTOMER PAY EFFECTIVE LABOR RATE (GUIDE)

\$ 170.00	X
Customer Pay Posted "Door Rate"	

X

Guide: 90% of Customer Pay "Door Rate"

HOURS PRODUCED IN THE SHOP PER DAY

764	÷
Hours Produced in the month	

Guide: Number of Technicians Times 10 Hours

HOURS PRODUCED PER TECH PER DAY

764	÷
Hours Produced in the month	

Guide: 10 hours per day per tech

R.O.'s PER SERVICE ADVISOR PER DAY

5,889	÷
Total # of R.O.'s	

Guide: R.O.s Per Advisor Per Day (All Brands) Not to Exceed 17 Repair (

How EFFICIENT are your technicians ?

764

Total Hours Produced

÷

*Must obtain this information from your Service Department Director

Interpretation: Efficiency measures the hours produced within

Tech Efficiency Guide: 135%

How PRODUCTIVE is your shop ?

5,820

Clock Hours Worked*

÷

*Must obtain this information from your Service Department Director

**Clock hours available in a month is calculated by taking the number of technicians times the number of hours available per day.

Shop Productivity Guide: 87.5% (15% - 20% of available time lost to test-drives, breaks, and retrieving parts.

Interpretation: Productivity measures the clock hours worked versus available. This measurement tells you how well management is managing the shop.

How PROFICIENT are your technicians ?

764

Total Hours Produced

÷

Technician Proficiency Guide: 120% - 125% (Obtainable, but challenging)

Interpretation: Proficiency measures the hours produced within the available time.

Technician Efficiency

Total Hours Produced

Total Clock Hours Worked*

Technician Efficiency

Efficiency measures the hours produced within the total clock hours worked. This is a measure of how efficient your technician's are.

*Must obtain this information from the service system of the DMS

This indicates that the technician is producing 4.0 flat-rate hours in 2.0 clock hours worked

Guide: 135%

Productivity

Total Clock Hours Worked*

Total Hours Available**

Technician Productivity

This measurement tells you how well management is managing the shop.

Guide:

Proficiency

Using the 4 hours sold in the Efficiency measurement, and the results is a Proficiency of 50%.

Hours Produced

Total Hours Available

Proficiency

Note: Both Efficiency & Productivity yield Proficiency.

Guide: 120% - 125% (Obtainable, but often difficult to sustain.

Efficiency, Productiv

A technician is given a 9.0 hour job which is completed in 6.5 clock hours during an 8.0 hour shift (technician actually worked 6.5 hours during his shift).

What is the:

Efficiency	9.0 hours sold	÷
Productivity	6.5 clock hours worked	÷
Proficiency	9.0 hours sold	÷

Why is Proficiency Important? Efficiency t
Proficiency indicates how much



Service Department Analysis

-
-
-
764.00
\$ 170.00
\$ 146.50
\$ 128.00
19
62
52
5,820
1

Hours Produced		E.L.R.		Number R.O.'s		Hours per R.O.
-	=	0.00	÷	2,903	=	0.0
-	=	0.00	÷	1,121	=	0.0
-	=	0.00	÷	1,483	=	0.0
764.00	=	146.50	÷	382	=	2.0
764		1,868.54	=	5,889	=	0.1

\$ 23,056,293
\$ -
\$ -

Monthly Gross
Profit Opportunity

\$ 764	=	\$ 1,868.54
Total hours billed		O.E.L.R.

8	x	26.0	=	10,816
# Hours/Day		Working Days/Month		Clock Hour Avail

0	=	\$0.00
Total customer labor hours		Customer Pay E.L.R.

90%	=	\$ 153.00	-	\$0.00	=	\$ (153.00)
Guide		Customer Pay Effective Labor Rate at Guide		Customer Pay Effective Labor Rate at Actual		Various: Over (Under)

0	=	\$ -
Total customer labor hours		Customer Pay ELR Opportunity

26	=	29	-	520	=	\$ 23,835,120
Working Days/Month		Hours Produced in Shop Per Day		NADA Guide		Opportunity If At Guide

52	÷	26	=	0.6	-	10.0
# of Techs		Working Days/Month		Hours Produced Per Tech Per Day		NADA Guide

19	÷	26	=	12	-	17
# of Advisors		Working Days/Month		R.O.'s Per Advisor Per Day		NADA Guide

Orders (Includes Customer Pay & Warranty Only)

5,820	=	13.13%	135%	\$ 1,270,072
Clock Hours Worked*		Tech Efficiency	NADA Guide	Efficiency Opportunity

MS.

the total clock hours worked & measures the employee. This is a measure of how efficient you

10,816	=	53.81%	87.50%	\$ 2,674,535
Clock Hour Available**		Shop Productivity	NADA Guide	Productivity Opportunity

MS. This represents the number of clock hours worked per day.

number of working days in the month times the number of

is lost in non-labor functions such as

within the total hours available.
ing the shop.

10,816	=	7.06%	125%	\$ 1,229,042
Clock Hour Available		Tech Proficiency	NADA Guide	Proficiency Opportunity

often difficult to sustain, minimum guide: 100%

n the total hours available.

4.0	

÷ 2.0

= 200.00%

2.0

÷ 8.0

= 25.00%

4.0

8.0

= 50.0%

ity & Proficiency

6.5 clock hours worked	=	138.5%
8.0 hours available	=	81.3%
8.0 hours available		112.5%

imes Productivity equals Proficiency.
available time is being sold!



=

\$ 23,835,120

Opportunity
If At Guide

=

5

Opportunity
If At Guide



r technicians' are:	

RATIO OF TECHNICIANS TO SERVICE ADVISORS

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RATIO OF TECHNICIANS TO SERVICE ADVISORS

Number of Technicians

Number of Service Advisors

÷

Ratio of Technicians to Service Advisors

=

Guide:

-

Variance: Technicians to Advisors Over (Under) Guide

Interpretation: You have 2.7 technicians for
for every advisor.

Do you have the right number of service advisors?

Do you need more technicians?

NADA Guide: You should have 4 technicians for every 1 service advisor



SORS

52

19

2.7 to 1.0

4 to 1.0

-1.3

Sor.

Comparison of Internal Effective Labor Rate and Customer

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Comparison of Internal Effective Labor Rate and Customer

Customer Pay Effective Labor Rate

Internal Effective Labor Rate

Additional Internal Labor Rate per Hour Available

Number of Internal Labor Hours Produced per Month

Additional Internal Labor Sales Generated per Month

Guide: Internal Labor Gross Profit Retention % (enter as %)

**Additional Internal Labor Gross Profit \$ Generated per Month
If Internal Rate Matched Posted "Door" Rate**

NADA Guide: The internal labor rate should match the customer pay

Pay Effecive Labor Rate

Pay Effecive Labor Rate

\$0.00

- 0.00

= \$ -

x 0

= \$ -

x 73.00%

= \$ -

Additional Gross Profit
Opportunity

posted "door" rate

Comparison of Warranty Effective Labor Rate and Customer

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[summary of monthly profit opportunities - fixed operations](#)

Comparison of Warranty Effective Labor Rate and Customer

Customer Pay Effective Labor Rate

Warranty Effective Labor Rate

Additional Warranty Labor Rate per Hour Available

Number of Warranty Labor Hours Produced per Month

Additional Warranty Labor Sales Generated per Month

Guide3: Warranty Labor Gross Profit Retention % (enter as %)

**Additional Warranty Labor Gross Profit \$ Generated per Month
If Warranty Rate Matched Customer Pay Posted "Door" Rate**

*Guide: The warranty labor rate should not exceed the customer pay posted "door" rate.
Make sure that your customer pay labor posted "door" rate is competitive.
A warranty rate increase should be requested every 12 months.*

Pay Effective Labor Rate

Pay Effective Labor Rate

\$0.00

-

0.00

=

\$

-

x

0

=

\$

-

x

73.00%

=

\$

-

Additional Gross Profit
Opportunity

ed "door" rate.
in your market.

"Add a Zero" Technique & Total Hours Produced per Day in the Shop

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"Add a Zero" Technique & Total Hours Produced per Day in the Shop

Number of "Skilled" Flat-Rate Technicians

Factor: Add a Zero Technique

Total Number of Hours Produced in the Shop per Day

Just take your number of "skilled" flat-rate technicians and add a zero. This will tell you the minimum number of hours that should be produced in the shop per day.

If your "skilled" technicians are not producing a minimum of ten hours per day, you could increase productivity by increasing new and used inventory turns as well as by having vehicles reconditioned in 48 to 72 hours.

Total Hours Produced per Day in the Shop

Number of "Skilled" Flat-Rate Technicians

Factor: Add a Zero Technique

Number of Hours Produced in the Shop per Day

Actual Number of Hours Produced per Day in the Shop

Variance: Over (Under) Guide

Monthly Gross Profit Opportunity

*Factor: Your service department should produce an average of 10 hours per day. If ten hours are produced in eight hours available, this would yield a proficiency

NADA Proficiency Guide: 125%

Intpretation:

Focus on total hours produced per day by the service department. You should focus on the total hours produced in the shop. The categories of labor produced in the shop are competitive, maintenance & repair. Maintenance categories do not generate "high" hours per R.O. The only category that generates "high" hours per R.O. is the repair category. But, the majority of the work is maintenance, not repair. Repair work represents the smallest amount of service produced. Therefore, increasing hours per R.O. significantly is very difficult to accomplish. Focus on total hours produced per day in the shop is a more realistic approach to improving service.

ne Shop

per Day in the Shop

	52
x	10
=	520

vs. Objective

	52
x	10
=	520
-	29
=	(491)
	\$ 49,097,807

r day per technician.
ncy of 125%.

Id not focus exclusively on hours per R.O.
and repair. The competitive and
category that generates "high" hours per R.O.
of service work is competitive and
vice work generated in the shop.
sh. Focusing on total hours per R.O.
ce department profitability.

What If Hours per Repair Order

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[summary of monthly profit opportunities - fixe](#)

Customer Pay Hours Per R.O. at
Guide: (2.0 hours - Domestic, 2.5

Customer Pay Hours Per R.O. Act

Difference: Customer Pay Hours F

Number of Customer Pay R.O.'s V

Additional Customer Pay Hours P

Additional Customer Pay Labor H

Customer Pay Effective Labor Rat

Additional Customer Pay Labor S

Customer Pay Labor Gross Profit

[Additional Customer Pay Labor](#)

R.O. Parts Sales Divided by R.O.
(to Calculate Parts Sales Dollars F

Additional Customer Labor Sales

Additional Customer Parts Sales C

Customer Parts Gross Profit %

[Additional Customer Parts Gros](#)

[Monthly Additional Customer G](#)

To Annualize

Annualized Additional Custome

Were at Guide

[d operations](#)

What if Hours Per Repair Order Were at Guide

Guide	
3 hours - Import, 3.0 hours - Luxury)	
Actual	-
Per R.O. Over (Under) Guide	=
Written During the Month	
Per R.O. if at Guide	x
Hours Generated	=
Rate	x
Sales Generated	=
%	x
Gross Profit Generated	=
Labor Sales	
Per \$1.00 of Labor Sales	
Generated	x
Generated	=
	x
Net Profit Generated	=
Gross Profit Generated From Labor (A) & Parts (B)	

X

r Gross Profit Generated From Labor (A) & Parts (B)

=





3.0

0.00

3.00

2,903

3.00

8,709

0.00

\$ -

79.03%

\$ - (A)

0.45

\$ -

\$ -

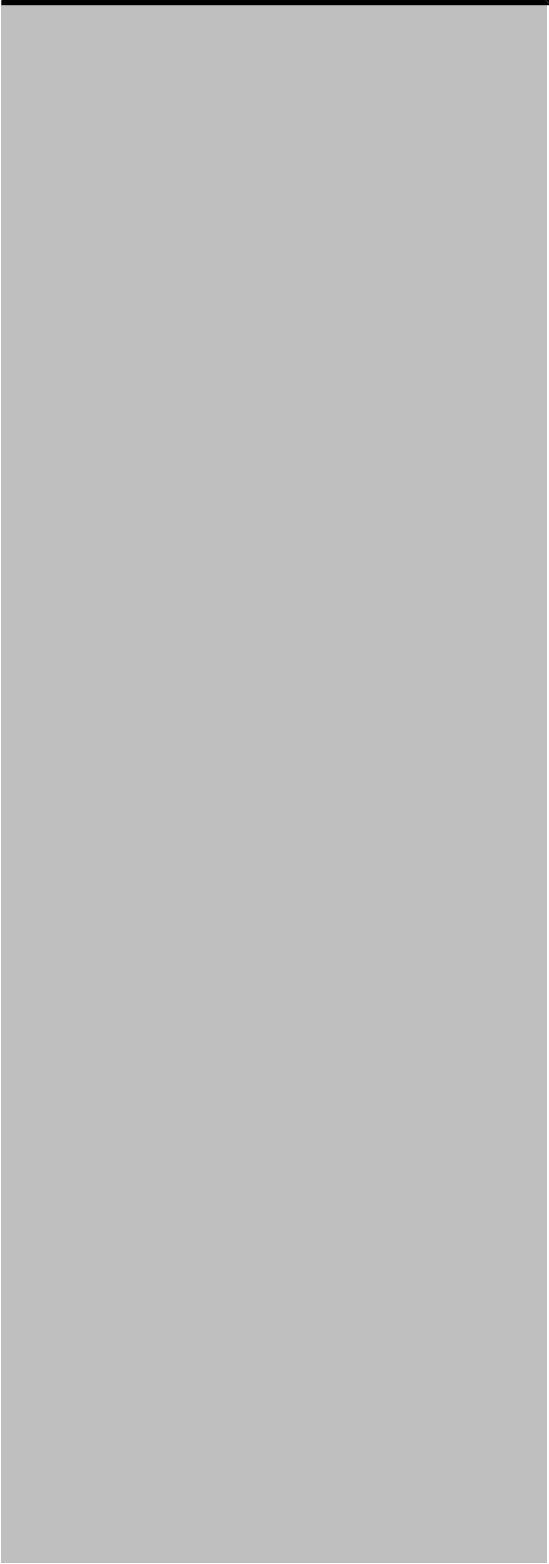
27.90%

\$ - (B)

\$ - (A) + (B)

12

\$ -



Parts Department Gross Profit Return on Sales

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[summary of monthly profit opportunities - fixed operations](#)

Parts Department G

Statement Months

Average Month

NADA Guides:

Parts R.O.

Parts Internal

Parts Warranty

Parts Wholesale

Parts Counter Retail

Parts Body Shop

41%

41%

28%

25%

41%

30%

157,181

Parts R.O. Gross

÷

350,064

Parts R.O. Sales

=

15,477

Parts Internal Gross

÷

77,227

Parts Internal Sales

=

71,964

Parts Warranty Gross

÷

193,034

Parts Warranty Sales

=

9,190

Parts Wholesale Gross

÷

49,087

Parts Wholesale Sales

=

2,800

Parts Counter
Retail Gross

÷

10,752

Parts Counter
Retail Sales

=

0

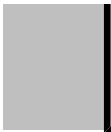
Parts Body Shop
Gross

÷

81,142

Parts Body Shop
Sales

=



Gross Profit Return on Sales

1

44.90%	-	41.00%	=	3.90%	\$ -
Gross Profit		Guide		Variance	Opportunity
Return on Sales				Over (Under)	
20.04%	-	41.00%	=	-20.96%	\$ 16,186
Gross Profit		Guide		Variance	Opportunity
Return on Sales				Over (Under)	
37.28%	-	28.00%	=	9.28%	\$ -
Gross Profit		Guide		Variance	Opportunity
Return on Sales				Over (Under)	
18.72%	-	25.00%	=	-6.28%	\$ 3,082
Gross Profit		Guide		Variance	Opportunity
Return on Sales				Over (Under)	
26.04%	-	41.00%	=	-14.96%	\$ 1,608
Gross Profit		Guide		Variance	Opportunity
Return on Sales				Over (Under)	
0.00%	-	30.00%	=	-30.00%	\$ 24,343
Gross Profit		Guide		Variance	Opportunity
Return on Sales				Over (Under)	

Grand Total

\$ 45,219

Parts Department Operating Profit Return on Gross

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Parts Department Operating P

$$\begin{array}{ccccc} \$ & 208,190 & \div & \$ & 392,674 & = & 53.02\% & - \\ \text{Parts} & & & \text{Parts} & & & \text{Operating Profit} & \\ \text{Operating Profit} & & & \text{Total Gross Profit} & & & \text{Return on Gross} & \end{array}$$

NADA Guide:

20% Operating Profit Return on on Gross Profit

Purpose:

To identify the operating profit retained in the parts department (

Profit Return on Gross

20.00%	=	33.02%	\$ -
Guide		Variance Over (Under)	Operating Profit Opportunity

on total parts department gross profit

Parts Department Break-Even

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Total Parts Department Expenses

Statement Month

Average Month Parts Department

Overall Parts Department Gross F

Parts Sales Needed per Month t

Actual Parts Sales for the Montl

Variance: Actual Parts Sales for

Number of Working Days in Month

Parts Sales Needed per Day to I

Actual Parts Sales per Day (Ave

Variance: Actual Parts Sales per

Monthly Gross Profit Opportuni

Total Actual Sales Dollars per D

Number of Days to Achieve Bre

en Point

- [fixed operations](#)

Parts Department Break-Even Point

YTD

÷

Expense

=

Profit Retention Percentage (enter as %)

÷

[to Break-Even](#)

=

[1](#)

-

[the Month Over \(Under\) Parts Sales Needed per Month to Break-Even](#)

=

[1](#)

÷

[Break-Even](#)

=

[range Month\)](#)

-

[r Day Over \(Under\) Guide](#)

=

[ty](#)

[ay](#)

[ak-Even Point](#)

\$ 184,484

1

\$ 184,484

28.30%

\$ 651,887

\$ 1,380,330

\$ 728,443

26

\$ 25,073

\$ 53,090

\$ 28,017

\$ -

53,090

16.28

Parts Inventory Days Supply

[table of contents](#)

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Parts Average Month Cost of Sales

Parts & Accessories Sales Y.T.D.

Parts & Accessories Gross Profit Y.T.D.

-

Parts & Accessories Cost of Sales Y.T.D.

=

Discounts & Adjustments Y.T.D. (use same sign as
on F/S unless using cost of sales column)

plus or
minus

Adjusted Parts & Accessories Cost of Sales Y.T.D.

=

Number of Month's Business

÷

Average Month's Cost of Sales

=

\$ 1,380,330

\$ 392,674

\$ 987,656

\$ (2,497)

\$ 985,159

1

\$ 985,159

By taking the parts inventory total from and dividing it by the average month parts sales, and then multiplying it by 30 day inventory is calculated.

\$ 744,060 ÷ \$ 985,159
Parts Inventory Avg Month Parts C.O.S.

0.8 x 30
Months Supply of Parts Inventory

NADA Guide: Your supply of parts inventory

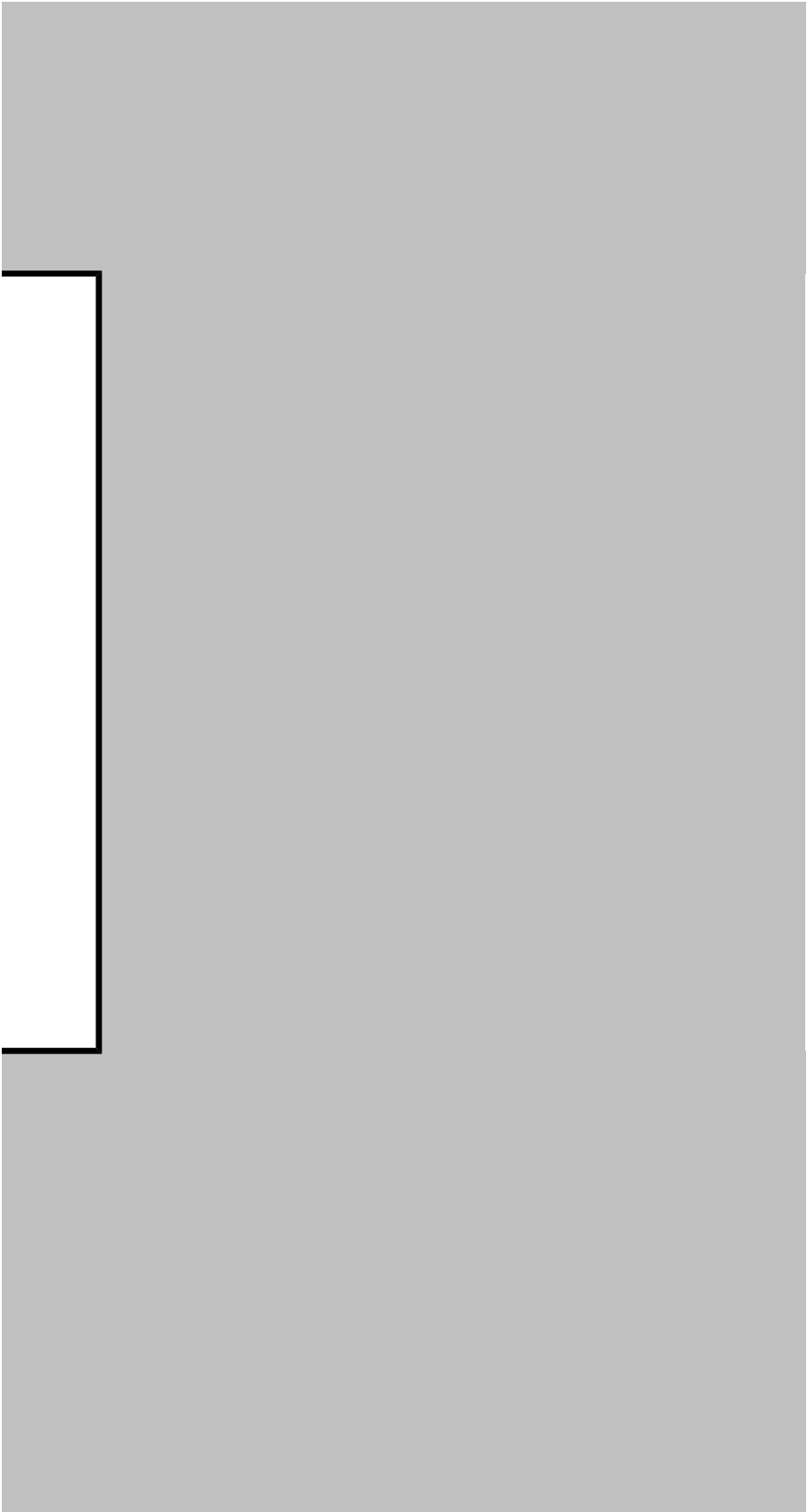
Parts Inventory Days Supply

the balance sheet
arts cost of
rs, the days supply of parts

= 0.8
Months Supply
of Parts Inventory

= 22.7 - 45 = -22.34 \$ -
Days Supply Guide Variance Cash Flow
of Parts Inventory Opportunity

Inventory should not exceed 1.5 month or 45 days.



Break-Down of the Parts Inventory

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The parts inventory should consist of the following:

NADA Guides:

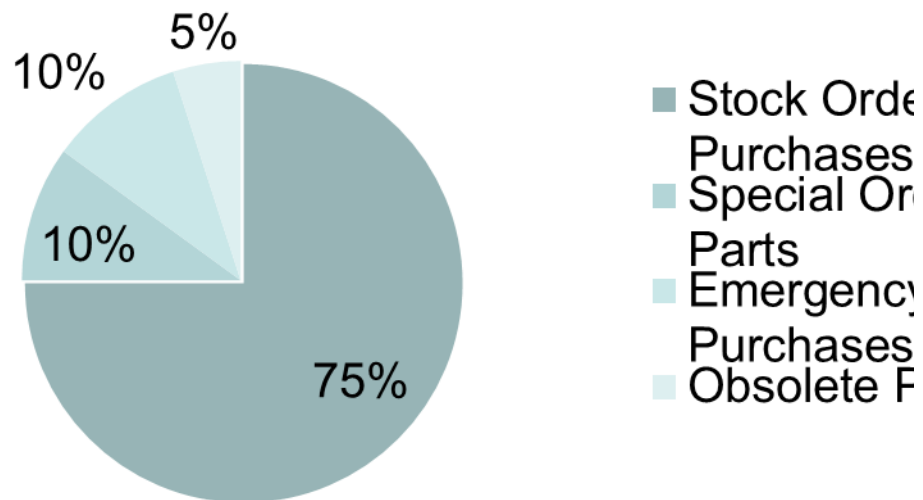
Stock Order Purchases – Guide 75%

Special Order Parts – Guide 10%

Emergency Purchases – Guide 10%

Obsolete Parts – Guide 5%

Elements of the Parts Inventory



er
der
y
parts

Parts Department Analysis

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[summary of monthly profit opportunities - fixed operations](#)

Parts Department Analysis

Parts & Accessories Sales Y.T.D.

Parts & Accessories Gross Profit Y.T.D. -

Parts & Accessories Cost of Sales Y.T.D. =

Discounts & Adjustments Y.T.D. (use same sign as on F/S unless using cost of sales column) plus or minus

Adjusted Parts & Accessories Cost of Sales Y.T.D. =

Number of Month's Business ÷

Average Month's Cost of Sales =

Parts & Accessories Inventory

Average Month Cost of Sales ÷

Month's Supply of Parts & Accessories Inventory =

x

Day's Supply of Parts & Accessories Inventory =

Guide: Days supply of Parts & Accessories Inventory should be 45 days

Annualized Cost of Sales (Average Month Cost of Sales Times 12)

Parts & Accessories Inventory ÷

Parts Gross Turns =

Twelve Months

Month's Supply of Parts & Accessories Inventory ÷

Parts Gross Turns =

Guide: Gross turns should be between 7 - 9 times a year

8

Opportunity for Additional Monthly Gross Profit

*Y.T.D. Stock Order Purchases

Number of Months Business ÷

Average Month Stock Order =

Annualized x

Annualized Stock Order =

Parts Inventory without LIFO ÷

Parts True Turns =

Guide: True turns should be between 5 - 6 times a year

6

Opportunity for Additional Monthly Gross Profit

True Turns

Gross Turns ÷

Stock Order Performance =

Guide: Stock Order Performance should be 75% or greater.

Note: *Monthly stock order average is found on the MGR report (ADP). Each year must be added together to get the YTD number. In (R&R), the parts sumn reflects YTD stock order purchases.

You have a 3 month supply of parts inventory based on 4 gross turns per year. 75% of your parts inventory is from stock order purchases, and 25% comes from other sources. **You are not turning your inventory often enough!**

\$ 1,380,330

\$ 392,674

\$ 987,656

\$ (2,497)

\$ 985,159

1

\$ 985,159

\$ 744,060

\$ 985,159

0.8

30

22.7

\$ 11,821,908

\$ 744,060

15.9

12

0.8

15.9

\$ -

\$ -

1

\$ -

12

\$ -

\$ 744,060

0.0

\$ -

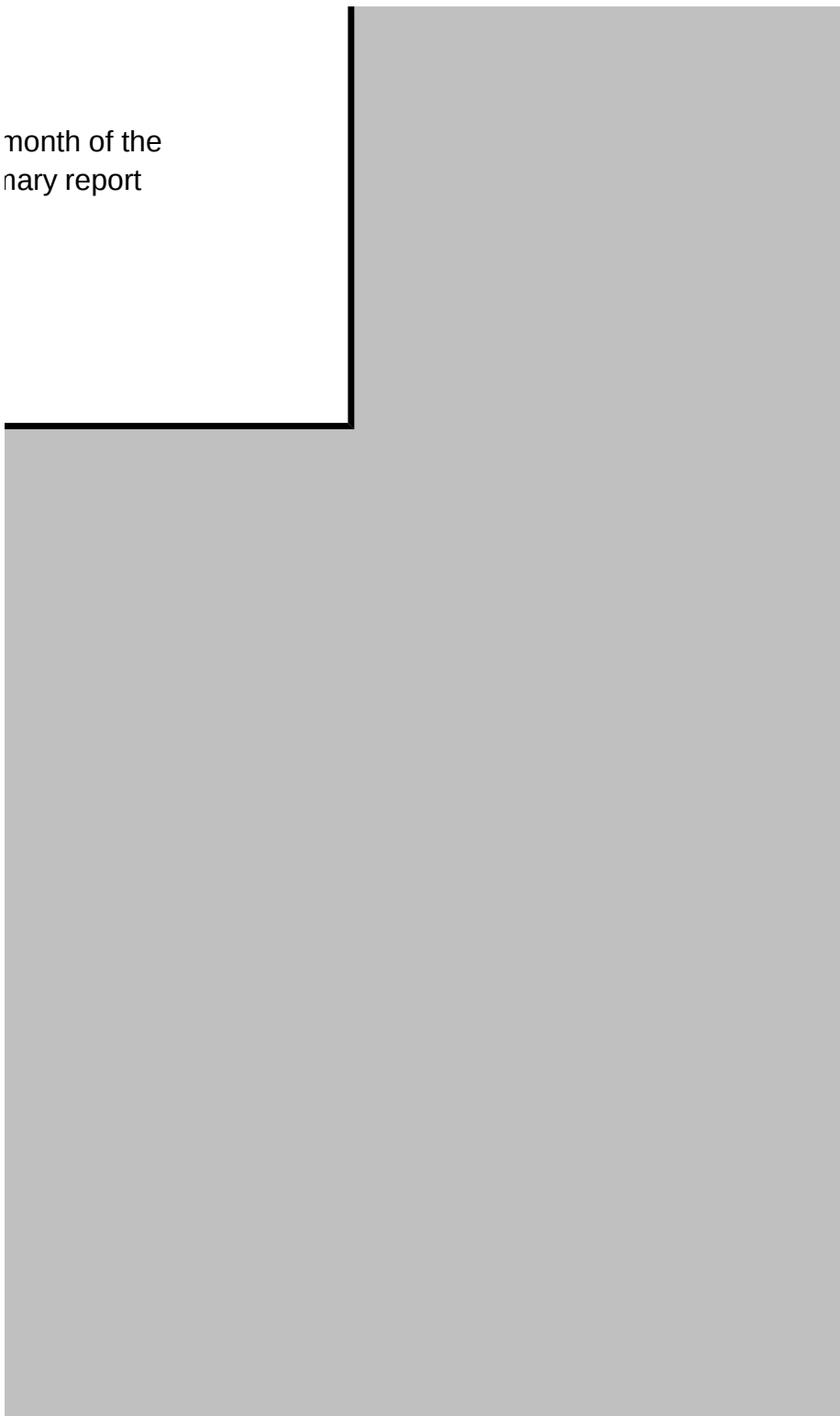
0.0

15.9

0.00%

You can obtain this number from a Parts Summary Report, or most dealer portals

month of the
nary report



Ratio of Technicians to Parts Countermen

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Ratio of Technicians to Parts Countermen

Number of Technicians	
Number of Front & Back Parts Countermen	÷
Ratio of Technicians to Parts Countermen	=

Guide:

Variance: Ratio of Techs to Parts Countermen Over (Under) Guide

Interpretation: You have **6.5** technicians for
for every parts counterman. Do you have the right number of
parts countermen? Do you have enough technicians?

NADA Guide: You should have eight technicians for every parts counterman.



52

8

6.5 :1.00

8 :1.00

-1.5

Parts & Accessories Inventory Calendar Year Turns

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Parts & Accessories Inventory Calendar Year

Twelve Calendar Months

Month's Supply of Parts Inventory ÷

Parts & Accessories Inventory Calendar Year Turns =

Guide: 8 Turns per Calendar Year



Turns

12

0.8

15.9

Parts Department Gross Return on Investment (GROI)

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Parts Department Gross Return on Investment

STEP 1 YTD Total Parts Department Sales in Dollars

Number of Months Business

[Average Monthly Parts Department Sales in Dollars](#)

STEP 2 YTD Total Parts Department Gross Profit in Dollars

Number of Months Business

[Average Monthly Parts Department Gross Profit in Dollars](#)

STEP 3 Average Monthly Parts Department Gross in Dollars (from step 2)

Average Monthly Parts Sales in Dollars (from step 1)

Gross as a Percent of Sales

Parts Calendar Year Inventory Turns

[YTD Gross Return on Inventory Investment \(GROI\) \(as % of sales\)](#)

[Monthly Gross Profit Opportunity](#)

Guide: 304%

Guide: Your overall gross as a percent of sales should be 38%. Your gross return on inventory investment (GROI) should be 304% (38% times 8 calendar year turns)

t (GROI)

\$ 1,380,330

÷ 1

= \$ 1,380,330

\$ 392,674

÷ 1

= \$ 392,674

\$ 392,674

÷ \$ 1,380,330

= 28.45%

x 15.9

= 452.0%

\$ -

Total Parts Department Net Return

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Tot

STEP 1 YTD Parts Department Expenses

STEP 2 YTD Total Parts Department Gros

YTD Parts Department Expenses

YTD Parts Department Operating

Number of Months Business

Average Month Parts Department

Number of Months in Calendar Ye

Annualized Parts Department Ope

Parts & Accessories Inventory in E

Net Return on Parts & Accessor

Monthly Operating Profit Oppor

Guide: **16%** (Update thi

NADA Guide: Prime rate plus 3%

Return on Investment (NROI)

[d operations](#)

al Parts Department Net Return on Investment (NROI)

s Profit

(step 1) -

Profit =

÷

Operating Profit =

ar X

erating Profit =

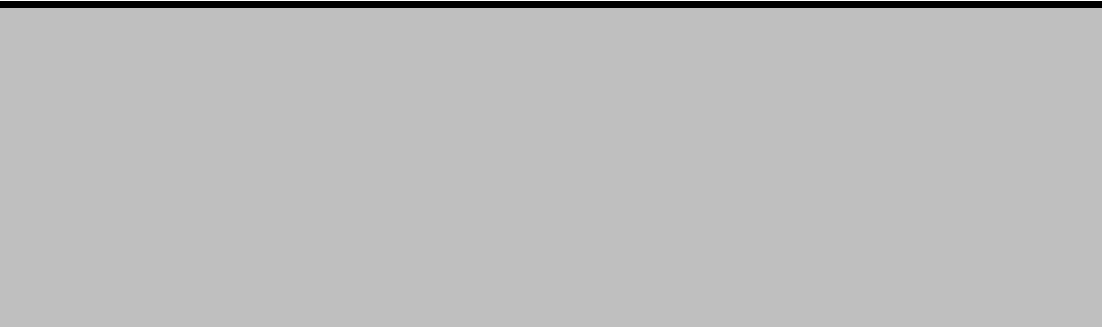
Dollars ÷

ies Inventory Investment (NROI) (as % of Parts Operating Profit) =

tunity

s guide as the prime rate changes)

(C.O.L.A.) plus a risk factor of 10%.



\$ 184,484

\$ 392,674

\$ 184,484

\$ 208,190

1

208,190

12

2,498,280

\$ 744,060

335.8%

\$ -

Fixed Operations Gross Profit Retention Opportunities

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Gross Profit Retention Opportunities - Ser

Average Month

<u>Account Name</u>	Actual Sales \$	Profile %	Profile Gross Profit %
Customer Labor - Mech	\$ 777,820	73.00%	\$ 567,809
Warranty Labor	\$ 246,825	73.00%	\$ 180,182
Internal Labor	\$ 290,995	73.00%	\$ 212,426
PDI/NVI Labor	\$ 111,926	73.00%	\$ 81,706
Totals	\$ 1,427,566		\$ 1,042,123

Gross Profit Retention Opportunities - Pa

Average Month

<u>Account Name</u>	Sales \$	Profile %	Profile Gross Profit
Customer RO Parts Sls - Mech	\$ 350,064	41%	\$ 143,526
Customer RO Parts Sls - BS	\$ 81,142	30%	\$ 24,343
Warranty Parts Sales*	\$ 193,034	28%	\$ 54,050
Internal Parts Sales	\$ 77,227	41%	\$ 31,663
Counter Retail Sales	\$ 10,752	41%	\$ 4,408
Wholesales Parts Sales	\$ 49,087	25%	\$ 12,272
Totals	\$ 761,306		\$ 270,262

*Warranty Parts Sales are reimbursed at full retail in some states.

Summary of Fixed Operations Gross Profit Ret

Service Department

Parts Department

Grand Total

vice Department

Actual %	Actual Gross Profit \$	\$ Opportunity
79.03%	\$ 614,709	\$ -
88.22%	\$ 217,743	\$ -
82.65%	\$ 240,513	\$ -
96.67%	\$ 108,196	\$ -
	\$ 1,181,161	\$ -

rts Department

Actual %	Actual Gross Profit \$	\$ Opportunity
44.90%	\$ 157,181	\$ -
0.00%	\$ -	\$ 24,343
37.28%	\$ 71,964	\$ -
20.04%	\$ 15,477	\$ 16,186
26.04%	\$ 2,800	\$ 1,608
18.72%	\$ 9,190	\$ 3,082
	\$ 256,612	\$ 45,219

ention Opportunities

\$	-
\$	45,219
\$	45,219

Increasing Hours Per R.O. by an Additional .3 Hours

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Increasing Hours Per R.O. by an Additionor

(Use Current Month Data)

Number of customer pay R.O.'s for the month

Multiply by .3 hours x

Additional customer labor hours generated =

Multiply by Customer Pay "Effective" Labor Rate (enter as \$) x

Equals additional Customer Labor Sales Generated =

Multiply by Customer Labor Gross Profit % (enter as %) x

Equals additional Labor Gross Profit Dollars generated =

Divide Parts Sales R.O. by Labor Sales R.O. to
calculate \$ of parts sales to \$ of labor sales. (enter as %)

Multiply by Additional Customer Labor Sales Generated x

Equals additional Customer Parts Sales generated =

Multiply by Customer Parts Gross Profit % (enter as %) x

Equals additional Parts Gross Profit \$ Generated =

Additional Monthly Gross Profit: Labor (A) + Parts (B) =

Multiply by twelve to annualize

x

Note: This represents the additional labor and parts gross profit available annually, with no additional customer pay repair orders.

nal .3 Hours

2,903

0.3 hours

871

0.00

\$ -

79.03%

(A) \$ -

45.01%

\$ -

\$ -

44.90%

(B) \$ -

(A) + (B) \$ -

12

\$ -

able

SALES DOLLARS PER CUSTOMER PAY REPAIR ORDER

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[summary of profit opportunities - fixed operations](#)

SALES DOLLARS PER CUSTOMER F

$$\begin{array}{rcl} \boxed{\$ \quad 1,127,884} & \div & \boxed{2,903} = \boxed{\$ \quad 389} \\ \text{Total Parts RO \& Customer} & & \text{Total \# of C.P.} \\ \text{Pay Labor Sales Dollars} & & \text{Repair Orders} \\ \text{Average Month} & & \text{Current Month} \end{array} \quad \begin{array}{l} \text{Average Parts RO \& Cu} \\ \text{Pay Labor Sales Dolla} \\ \text{C.P. Repair Order} \\ \text{Current Month} \end{array}$$

NADA Guide: $\boxed{\$ \quad 300}$ *Average parts & service sales dollars per c*

R - CURRENT MONTH

PAY REPAIR ORDER - CURRENT MONTH

-

\$

300

=

\$

89

\$

-

customer

NADA

Variance:

Monthly Sales

rs per

Guide

Over (Under)

Dollars Opportunity

-

customer pay repair order

FIXED ABSORPTION

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	Fixed /
(Use current month only)	
Parts Department Total Gross	
Service Department Total Gross	+
Body Shop Department Total Gross	+
<u>Total Fixed Gross Profit</u>	=
Total Dealership Expense	
New & Used Sales Commission Expense	-
New & Used Policy Expense	-
New & Used Get Ready / Delivery Expense	-
<u>Adjusted Overhead Expense</u>	=
<u>Total Fixed Gross Profit</u>	
<u>Adjusted Overhead Expense</u>	÷

Fixed Absorption Percentage

=

Monthly Profit Opportunity

Absorption

% Adj Overhead Expense

\$ 392,674

23.91%

\$ 1,126,635

68.59%

\$ -

0.00%

\$ 1,519,309 (A)

92.50%

Additional Gross Profit
Generated From .3 Hours



Without Additional
GP From .3 Hours

\$ 1,987,245

\$ 322,039

\$ 8,635

\$ 14,019

equals

\$ 1,642,552 (B)

\$ 1,519,309 (A)

\$ 1,642,552 (B)

equals

NADA Guide

With Additional
GP From .3 Hours

\$ -

\$ 1,987,245

\$ 322,039

\$ 8,635

\$ 14,019

equals

\$ 1,642,552

\$ 1,519,309

\$ 1,642,552

equals

92.50%

75%

92.50%

\$ -

\$ -

Impact of Selling One Addi

[Table of Contents](#)

[summary of monthly gross profit oppo](#)

Impact of Sel

One Additonal Hour of Custom

Number of Working Days in M

Overall Effective Labor Rate

Number of Technicians

Additional Service Department

Service Department Overall G

Additional Service Department

Net Operating Profit Retention

Additional Service Department

Opportunity for Additional S

Dealership Net Pre-Tax Profit (

Percentage Impact on Deale

Increasing your new and used
"turn-around-time, could gener

"Upselling" in the service drive
"drive" the additional one hour

Guide:

20%

[This "Ties" Back to Recondi](#)

Additional Hour of Labor per Technician per Day

[Opportunities - fixed operations](#)

Adding One Additional Hour of Labor per Technician per Day

Technician Pay Labor		1
per month	x	26
	x	\$ 1,868.54
	x	52
Total Sales for the Month	=	\$ 2,526,269
Gross Profit Retention at Guide	x	73%
Total Gross Profit for the Month	=	\$ 1,844,176
at Guide	x	20%
Total Operating Profit for the Month	=	\$ 505,254
Service Operating Profit per Month		\$ 505,254
(average month)	÷	\$ 232,617
Relationship Net Profit	=	217%

inventory turns and reconditioning
rate the additional one hour of labor

by your service advisors will also
of labor

Service Department Operating Profit

tioning Cycle Time & Inventory Turns



Parts, Service & Body Shop Accounts Receivable Days Supply

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[summary of cash flow opportunities - fixed operations](#)

Parts, Service & Body Shop Accounts Receivable Days Supply

By taking the parts, service & body shop receivable total from the balance sheet and dividing it by the total parts, service & body shop customer paid labor and parts (excluding warranty, internal & PDI), for the current month, and multiplying by 30 days, the days supply of parts, service & body shop accounts receivable is calculated.

\$ 216,558	÷	\$ 1,268,865	=	0.2
Parts, Service & Body Shop Receivable		*Total Parts, Svc, B/S Customer Paid Labor & Parts Sales		Months Supply of Parts, Svc & B/S Customer Paid Labor/Parts

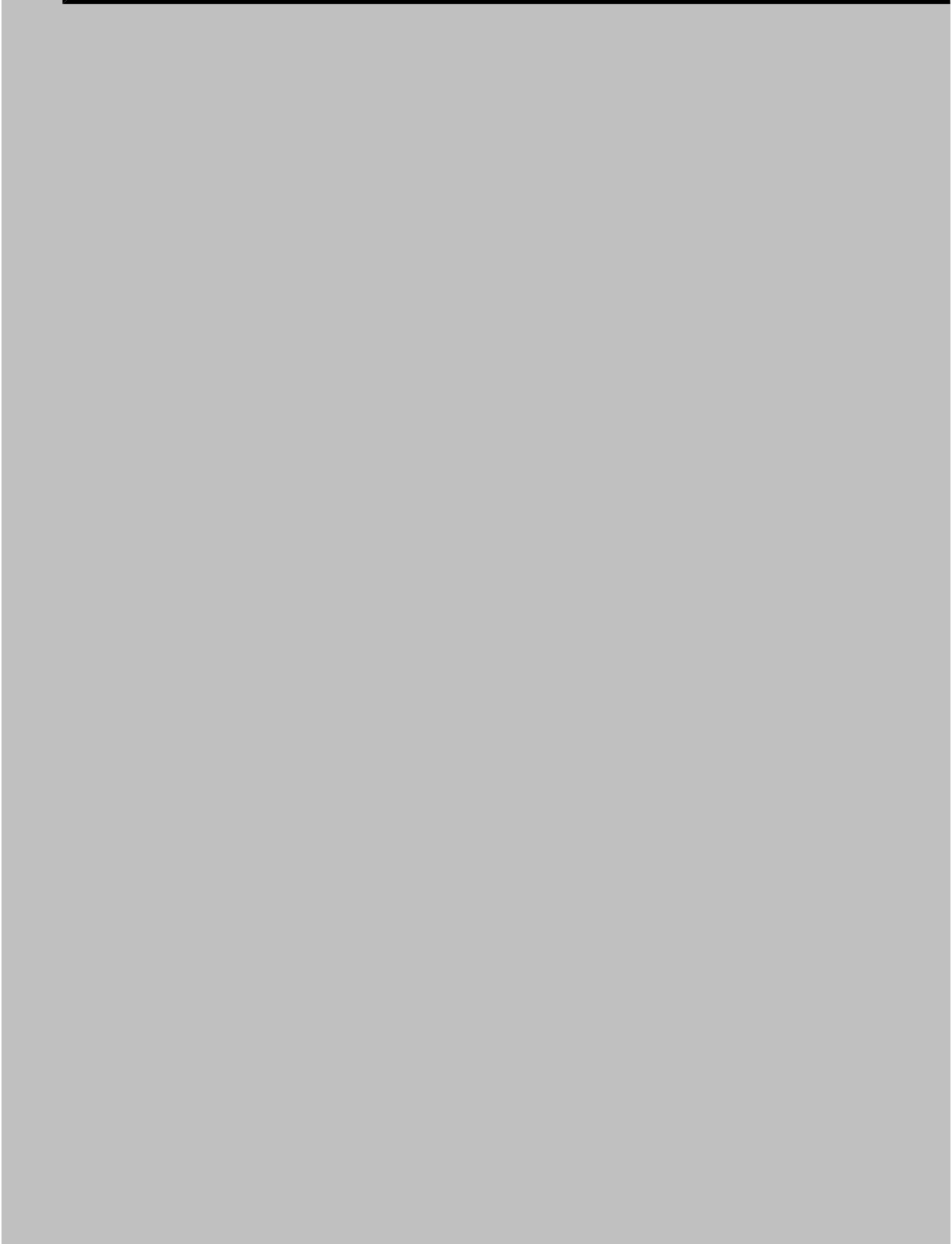
0.2	x	30	=	5.12
Months Supply of Parts, Svc & B/S Customer Paid Labor/Parts				Days Supply of Parts, Svc & Body Shop Accounts Receivable

*Exclude all parts, service & body shop internal, warranty, PDI, tires, and sublet sales. Includes all customer paid labor & parts.

Guide: Your days supply of parts, service & body shop receivables should not exceed 50% of an average month's total customer sales or 15 days supply (50% of a 30 day month).

On a percentage basis, the parts, service & body shop receivable represents **17%** of the current month's service, parts & body shop customer paid labor and parts (excluding warranty, internal & PDI). The

should not exceed 50%.



upply

ounts Receivable Days Supply

ance sheet
abor
and then
receivables

-

15

=

-9.88

\$

-

NADA Guide
Days Supply

Variance:
Over (Under)

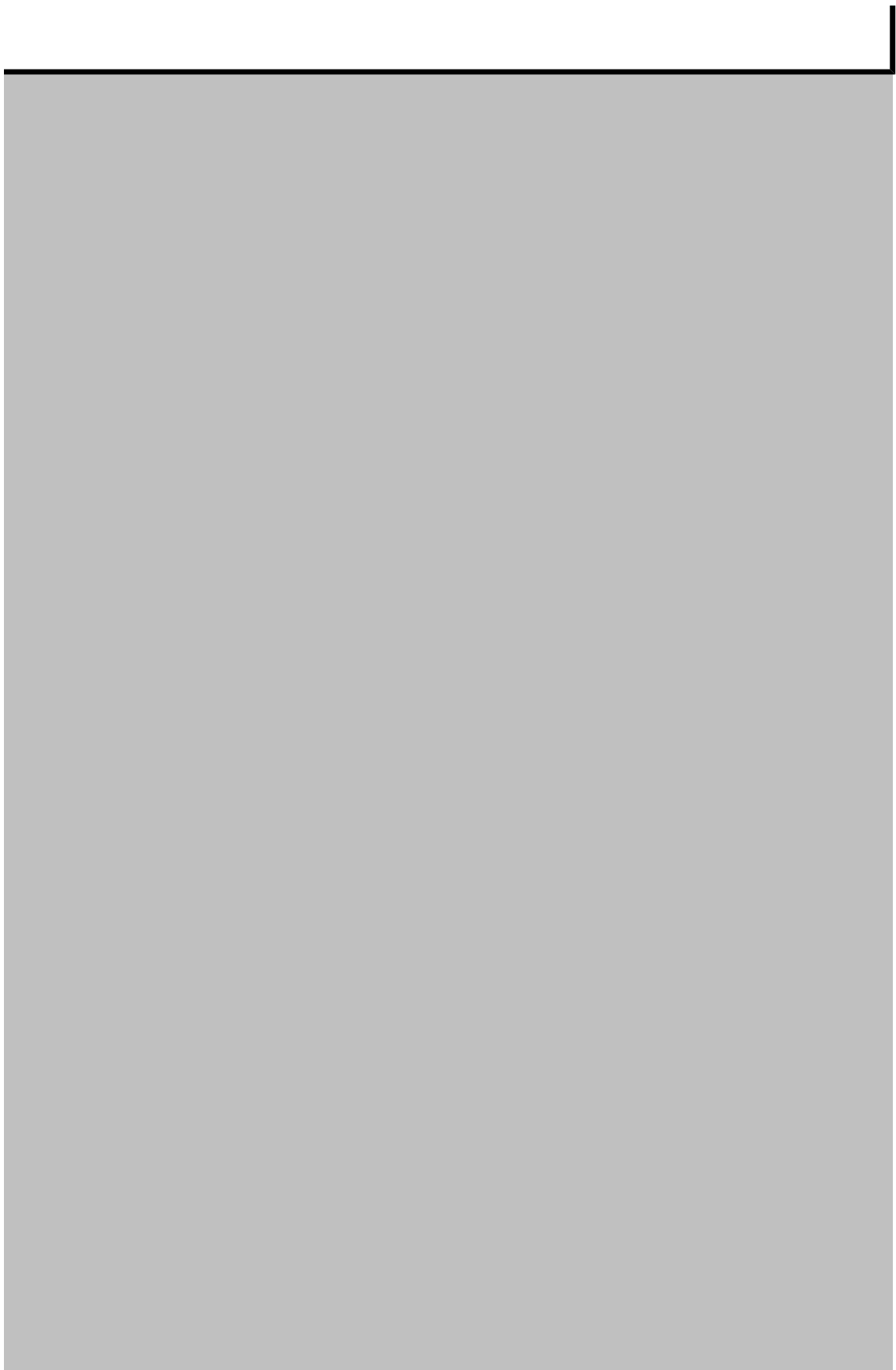
Cash Flow
Opportunity

le

gas/oil/grease and

ould not
upply.

resents
op
his percentage



Warranty Claims Receivable Days Supply

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[summary of cash flow opportunities - fixed operations](#)

Warranty Claims Receivable

By taking the warranty claims receivable total from the balance sheet and dividing it by the total warranty sales in fixed operations for the current month, and then multiplying it by 30 days, the days supply of claims is calculated.

$$\begin{array}{rcl} \$ 185,447 & \div & \$ 439,859 = 0.4 \\ \text{Warranty} & & \text{Current Month} \\ \text{Receivable} & & \text{Warranty Sales} \\ & & \text{In Fixed Ops} \end{array}$$

Months Supply of Warranty Receivables

$$\begin{array}{rcl} 0.4 & \times & 30 = 12.6 \\ \text{Months Supply} & & \text{Days Supply} \\ \text{of Warranty} & & \text{of Warranty} \\ \text{Receivables} & & \text{Receivables} \end{array}$$

NADA Guide:

If you are paid warranty credits weekly =

7.5

If you are paid warranty credits semi-monthly =

15

If you are paid warranty credits monthly =

30

Are Your Warranty Claims

$$\begin{array}{rcl} \$ 185,447 & \div & \$ 439,859 = 42.2\% \\ \text{Warranty Claims} & & \text{Current Month} \\ \text{Receivable} & & \text{Warranty Sales} \\ & & \text{In Fixed Ops} \end{array}$$

Warranty Claims Receivable as % of Warranty Sales

Guide: If you are paid warranty credits on a weekly basis, your warranty claims as a percentage of guide should be 25%. If paid on a semi-monthly

percentage should be 50%, and if paid monthly, your percentage sh

able Days Supply

st

warranty

-

7.5

NADA Guide
Days Supply
(Select Guide
Below)

=

5.1

Variance:
Over (Under)

\$ 75,482

Cash Flow
Opportunity

Receivable OLD?

es

anty receivable
basis, your

ould be 100%.



Frozen Capital - Service, Parts & Body Shop Receivable

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[summary of cash flow opportunities - fixed operations](#)

Frozen Capital - Service, Parts & Body

Guide: Customer receivables should not exceed 50% of current month's cus

\$ 1,268,865	x	50%	=	\$ 634,433
Current Month P,S,BS Sales				Your Guide Objective
\$ 216,558	-	\$ 634,433	=	\$ -
Actual cust P,S & BS accts Rec		Guide Objective		Frozen Capital

\$ 216,558	÷	\$ 1,268,865	=	0.17 Mth's Sup
------------	---	--------------	---	----------------

Shop Receivable

stomer (retail and wholesale) fixed ops sales.

$$x \quad 30 \quad = \quad 5.12 \text{ Days Supp}$$

Frozen Capital - Warranty Claim Receivable

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[summary of cash flow opportunities - fixed operations](#)

Frozen Capital - Warranty Claim

Warranty Receivables should not exceed % of month

$$\begin{array}{ccccc} \$ & 439,859 & \times & 25\% & = & \$ & 109,965 \\ \text{Current Month Warranty Sales} & & & \text{Guide} & & \text{Guide Objective} \end{array}$$

$$\begin{array}{ccccc} \$ & 185,447 & - & \$ & 109,965 & = & \$ & 75,482 \\ \text{Actual Warranty Receivable} & & & \text{Guide Objective} & & & \text{Frozen Capital} \end{array}$$

Interpretation: * Based on the frequency of warranty credits paid by Manufacturer select the correct % below and enter it in cell C86 below.

NADA Guide:

If you are paid weekly by the manufacturer on your warranty claims use 25%

If you are paid semi-monthly (twice a month) by the manufacturer on your warranty claims use 10%

If you are paid monthly by the manufacturer on your warranty claims use 10%

Enter your guide % above based on how frequently you are paid

$$\begin{array}{ccccccc} \$ & 185,447 & \div & \$ & 439,859 & = & 0.42 \text{ Mth's Supply} \end{array}$$

Receivable

h's warranty parts and labor sales

sturer each month,

6
arranty claims use 50%
0%

e paid warranty credits

x	30	=	12.65 Days Supp
---	----	---	-----------------

Frozen Capital - Parts & Accessories Inventory

[table of contents](#)

[summary of cash flow opportunities - fixed operations](#)

Frozen Capital -

Guide: Inventory should not exceed a 1.5 month supply at c

$$\begin{array}{rcccl} \$ & 985,159 & \times & 1.5 & = \\ \text{Avg Month parts cost of sales*} & & & \text{NADA Guide} & \end{array}$$

$$\begin{array}{rcccl} \$ & 744,060 & - & \$ 1,477,739 & = \\ \text{Actual Parts Inventory} & & & \text{Guide Objective} & \end{array}$$

*If statement does not have a cost of sales column, reverse deduct from total gross profit. I statement does have a cost inventory. Then, add or deduct from total cost of sales.

$$\begin{array}{rcccl} \$ & 744,060 & \div & \$ 985,159 & = \end{array}$$

Parts & Accessories Inventory

Cost.

\$ 1,477,739

Guide Objective

\$ -

Frozen Capital

the sign on purchase allowance & adjustment parts inventory. Then add or of sales column, leave the sign as it is on purchase allowance & adjustment parts

0.76 Mth's Supl x 30 = 22.66 Days Supp

New Vehicle Department Break-Even

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summary of gross profit opportunities - var

New Vehicle

Total New Vehicle Department Ex

Statement Month

Average Month New Vehicle Depa

Average Gross Profit PNVR (inclu
"Below the Line" Factory Incentive

Number of New Vehicles Neede

**Actual Number of New Vehicles
(YTD New Vehicles Sold at Reta**

**Variance: Actual Number of Nev
Break-Even Point**

Monthly Gross Profit Opportuni

Average Number of New Vehicle

Number of Days to Achieve Bre

Break-Even Point Above the Line

[Variable operations](#)

Department Break-Even Point Above the Line

Expenses YTD \$ 606,261

÷ 1

Department Expense = \$ 606,261

including F&I). This does not include ÷ \$ 58
: Money nor DOC fees

Added to Break-Even = 10,458

Retail Sold (Average Month)
Retail Divided By Number of Month's Business - 339

Inventory Vehicles Retail Sold Over (Under) = -10,119

Inventory \$ 586,608

Units Sold per Day 11.30

Break-Even Point 925.45

New Vehicle Department Break-Even Point With "Below the Line"

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[summary of gross profit opportunities - variable operations](#)

New Vehicle Department Break-Even Point With "Below the Line"

Total New Vehicle Department Expenses YTD

Statement Month

Average Month New Vehicle Department Expense

Average Gross Profit PNVR (including F&I). This includes F&I Plus
"Below the Line" Factory Incentive Money & DOC fees

[Number of New Vehicles Needed to Break-Even](#)

[Actual Number of New Vehicles Retail Sold \(Average Month\)](#)

**[Variance: Actual Number of New Vehicles Retail Sold Over \(Under\)
New Vehicle Department Break-Even Point](#)**

[Monthly Gross Profit Opportunity](#)

[Average Number of New Vehicles Sold per Day](#)

[Number of Days to Achieve Break-Even Point](#)

Line" Factory Money & DOC Fees

Line" Factory Money & DOC Fees

\$ 606,261

÷ 1

= \$ 606,261

÷ \$ 1,020

= 594

- 339

= -255

\$ 260,439

11.30

52.59

New Vehicle Department Gross Profit Return on Sales

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[summary of gross profit opportunities - variable operations](#)

New Vehicle Department Gross P

$$\begin{array}{rcccl} \$ & 406,403 & \div & \$ & 15,496,167 & = & 2.62\% & - \\ \text{MTD New Vehicle} & & & \text{MTD New Vehicle} & & & \text{MTD G.P. Return} & \\ \text{Retail Gross} & & & \text{Retail Sales} & & & \text{on Sales} & \end{array}$$

NADA Guide: 5%

Note: The new vehicle gross profit includes front & back gross as well as DOC fees.

Profit Return on Sales

5.00%	=	-2.38%	\$ 368,405
NADA Guide		Variance: Over (Under)	Gross Profit Opportunity

all as all below the line factory new vehicle money

Vehicle Receivable Days Supply

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[summary of cash flow opportunities - variable operations](#)

Vehicle Receivable

New Retail Vehicle Sales Dollars Current Month
Used Retail Vehicle Sales Dollars Current Month
Total New & Used Retail Vehicle Sales Dollars Current Month

Total New & Used Retail Vehicle Units Sold Current Month

Total New & Used Retail Vehicle Sales Dollars Current Month
Total New & Used Retail Vehicle Units Sold Current Month
Average New & Used Retail Vehicle Sales Price Current Month

By taking the vehicle receivables total from the balance sheet and dividing it by the total retail vehicle sales dollars (new & used) and then multiplying it by 30 days, the days supply of vehicle

$$\begin{array}{ccc} \$ & 1,113,100 & \div \\ \text{Vehicle} & & \$ & 21,041,200 & = \\ \text{Receivables} & & \text{Current Month} & & \\ & & \text{New \& Used} & & \\ & & \text{Retail Sales} & & \\ & & \text{Dollars} & & \end{array}$$

$$\begin{array}{ccc} & 0.05 & \times \\ \text{Months Supply} & & & 30 & = \\ \text{of Vehicle} & & & & \\ \text{Receivables} & & & & \end{array}$$

NADA Guide: Your days supply of vehicle receivables should

Current Month Average Retail Vehicle Sales Price

			\$ 15,496,167
		+	\$ 5,545,033
h	(A)	=	\$ 21,041,200
	(B)		495
h	(A)		\$ 21,041,200
	(B)	÷	495
nth		=	\$ 42,507

Vehicle Receivable Days Supply

at
used) for the current month,
receivables is calculated.

0.05
Months Supply
of Vehicle
Receivables

1.59	-	3.0	=	-1.41
Days Supply of Vehicle Receivables		NADA Guide		Variance

It not exceed a 3 day supply.



\$ -

Cash Flow
Opportunity



Contracts in Transit Days Supply

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[summary of cash flow opportunities - variable operations](#)

Contracts in Transit C

New Retail Vehicle Sales Dollars Current Month
Used Retail Vehicle Sales Dollars Current Month
Total New & Used Retail Vehicle Sales Dollars Current Month

New and Used Retail Vehicle Units Sold Current Month

Total New & Used Retail Vehicle Sales Dollars Current Month
Total New & Used Retail Vehicle Units Sold Current Month
Average New & Used Retail Vehicle Sales Price Current Month

C

By taking the contracts in transit total from the balance sheet and dividing it by the total retail vehicle sales dollars (new and used) for the current month, and then multiplying it by 30 days, the days supply of contracts in transit can be determined.

$$\begin{array}{ccc} \boxed{2,141,364} & \div & \boxed{\$ 21,041,200} = \\ \text{Contracts in} & & \text{Current Month} \\ \text{Transit} & & \text{New \& Used} \\ & & \text{Retail Sales} \end{array}$$

$$\begin{array}{ccc} \boxed{0.10} & \times & \boxed{30} = \\ \text{Months Supply} & & \\ \text{Contracts} & & \\ \text{in Transit} & & \end{array}$$

NADA Guide: Your days supply of contracts in transit should be 30 days.



Current Month Average Retail Vehicle Sales Price

			\$	15,496,167	
		+	\$	5,545,033	
Month	(A)	=	\$	21,041,200	(A)
	(B)			495	
Month			\$	21,041,200	(A)
1	(B)	÷		495	(B)
Month		=	\$	42,507	

Contracts in Transit Days Supply

meet
& used) for the current month,
contracts in transit is calculated.

0.10
Months Supply
Contracts
in Transit

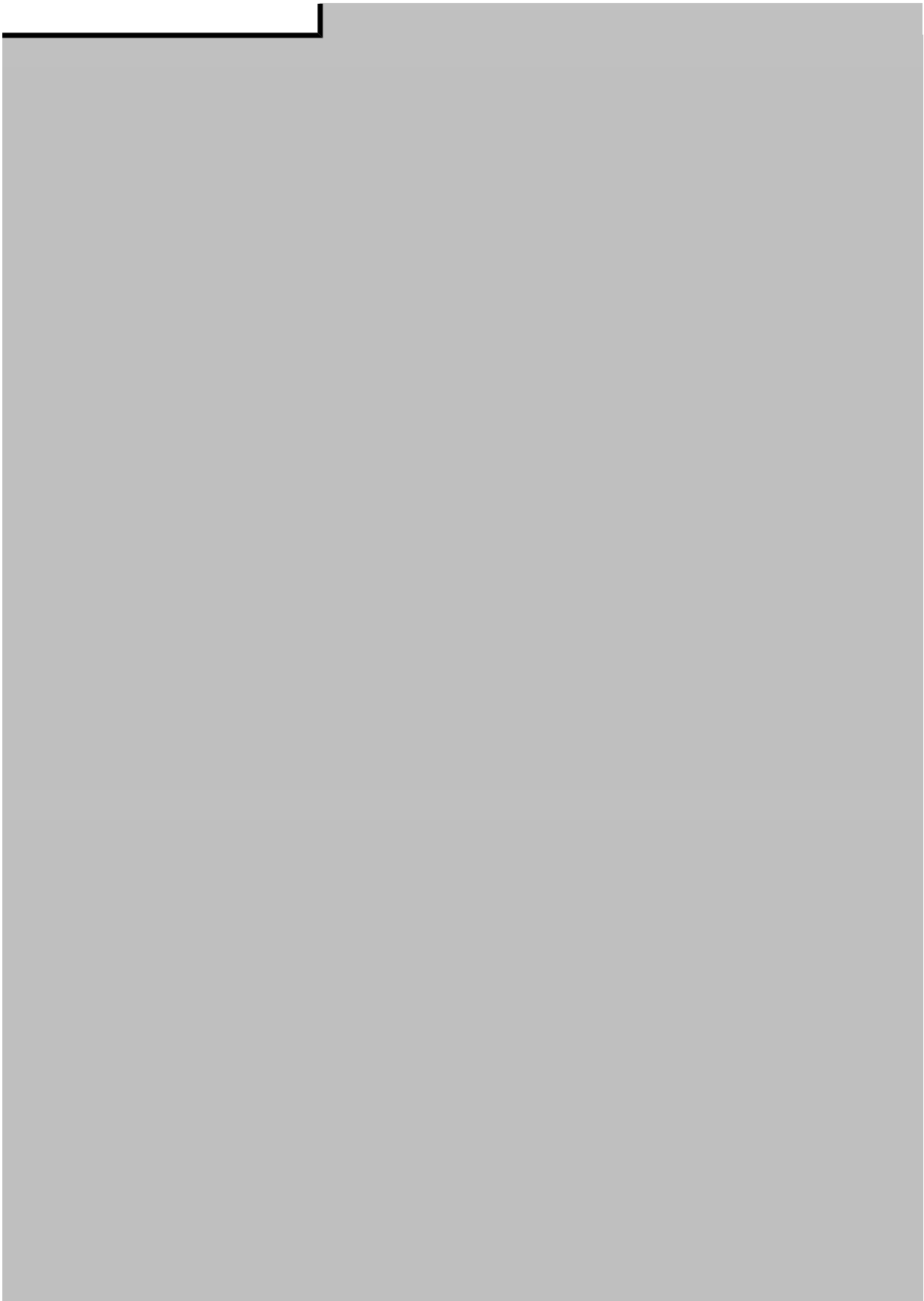
3.05	-	3.00	=	0.05
Days Supply		NADA Guide		Variance:
of Contracts				Over (Under)
in Transit				

Should not exceed a 3 day supply.



\$ 37,244

Cash Flow Opportunity



New Vehicle Inventory Days Supply

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[Summary of Monthly Cash Flow Opportunities - Variable Operations](#)

New and Used Vehicle Inventory /

New Vehicle Retail Sales Dollars Y.T.D. (front-end only)
New Vehicle Retail Gross Profit Dollars Y.T.D. (front-end only)
New Vehicle Retail Cost of Sales Dollars Y.T.D.

Number of Month's Business
New Vehicle Retail Cost of Sales Dollars (average month)

Used Vehicle Retail Sales Dollars Y.T.D. (front-end only)
Used Vehicle Retail Gross Profit Dollars Y.T.D. (front-end only)
Used Vehicle Retail Cost of Sales Dollars Y.T.D.

Number of Month's Business
Used Vehicle Retail Cost of Sales Dollars (average month)

New Vehicle Inventory

By taking the new vehicle inventory total from the balance sheet and dividing it by the average month new vehicle retail cost of sales, and then multiplying it by 30 days, the days supply of new vehicle inventory is calculated.

\$ 31,734,999	÷	\$ 15,648,875	=	2.0
New Vehicle Inventory		Avg Month New Vehicle Retail C.O.S.		Months Supply of New Vehicle Inventory

2.0	x	30	=	60.84
Month's Supply of New Vehicle Inventory				Days Supply of New Vehicle Inventory

Guide: Domestic	60	Days Supply
Guide: Highline	60	Days Supply
Guide: Imports	60	Days Supply

NOTE: A cash flow opportunity exists only if new vehicle inventory

Average Month Cost of Sales

	\$ 15,496,167
-	\$ (152,708)
=	\$ 15,648,875

÷	1
=	\$ 15,648,875

	\$ 5,381,218
-	\$ 263,111
=	\$ 5,118,107

÷	1
=	\$ 5,118,107

y Days' Supply

/
>

-

60

 =

0.84

\$ 437,249

NADA Guide Variance **Cash Flow Opportunity**

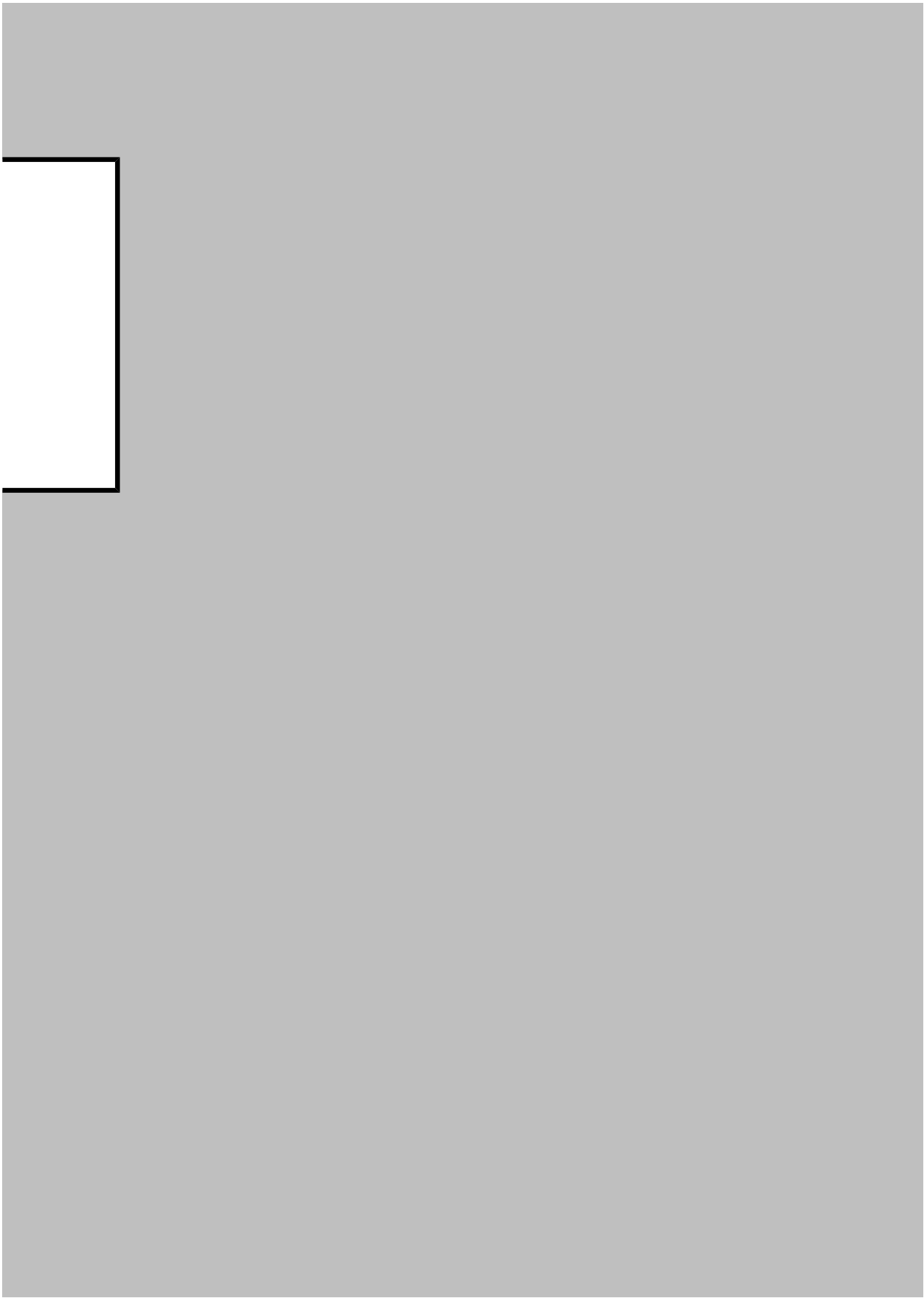
is not floored, but is carried by the Dealer.

New Vehicle Inventory Calendar Year Turns

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New Vehicle Inventory Calendar Year Turns

Twelve Calendar Months		12
Month's Supply of New Vehicle Inventory	÷	2.0
New Vehicle Inventory Calendar Year Turns	=	5.9
Guide: 6 Calendar Year Turns		



New Vehicle Department Gross

[Table of Contents'](#)

[Summary of Profit Opportunities - Variable Op](#)

New Ve

STEP 1 YTD New Vehicle Retail Sales in I

Number of Months Business

[Average Monthly New Vehicle S](#)

STEP 2 YTD New Vehicle Retail Gross in I

Number of Months Business

[Average Monthly New Vehicle G](#)

STEP 3 Average Monthly New Vehicle Grc

Average Monthly New Vehicle Sal

Gross as a Percent of Sales

New Vehicle Inventory Calendar Y

[YTD Gross Return on Inventory](#)

[Monthly Gross Profit Opportuni](#)

Guide: 30%

*Guide: Your gross as a percent of
return on inventory investment (G
calendar year turns)*

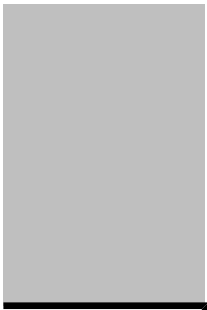
Return on Investment (GROI)

[Operations](#)

Vehicle Department Gross Return on Investment (GROI)

Dollars, F & I and Below the Line Factory Money & DOC Fees	\$	15,729,109
	÷	1
Sales in Dollars	=	\$ 15,729,109
Dollars, F & I and Below the Line Factory Money & DOC Fees	\$	345,822
	÷	1
Gross in Dollars	=	\$ 345,822
Gross in Dollars (from step 2)	\$	345,822
Sales in Dollars (from step 1)	÷	\$ 15,729,109
	=	2.20%
Year Inventory Turns	x	5.9
Investment (GROI) (as % of sales)	=	13.01%
Profitability	\$	58,755

Your sales should be 5%. Your gross ROI should be 30% (5% times 6.0)



New Vehicle Department Net Return

[Table of Contents'](#)

[Summary of Profit Opportunities - Variable Operating Costs](#)

New Vehicle Department

STEP 1 YTD New Vehicle Department Expenses

STEP 2 YTD Total New Vehicle Department Expenses

YTD New Vehicle Department Operating Expenses

YTD New Vehicle Department Operating Profit

Number of Months Business

Average Month New Vehicle Department Operating Profit

Number of Months in Calendar Year

Annualized New Vehicle Department Operating Profit

New Vehicle Inventory in Dollars

Net Return on New Vehicle Investment

Monthly Operating Profit Opportunity

Guide: **16%** (Update this figure annually)

Guide: Prime rate plus 3% (C.O.L.)

Return on Investment (NROI)

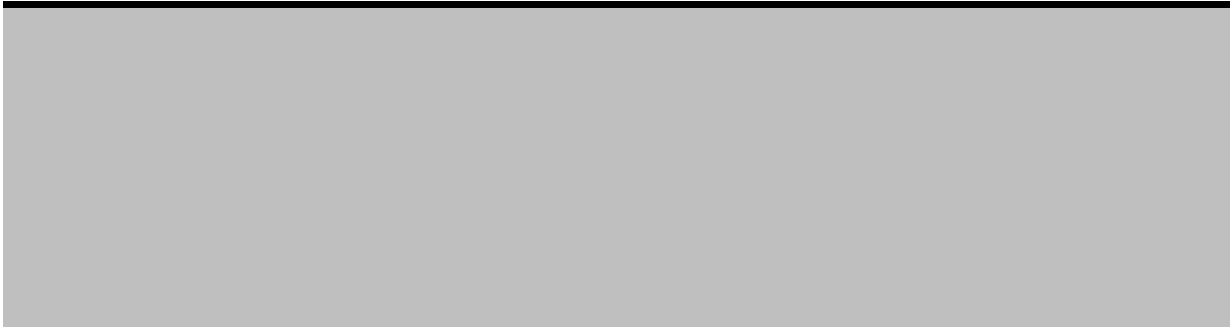
[operations](#)

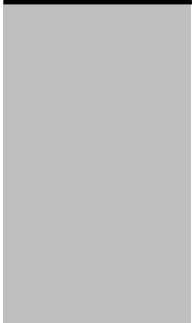
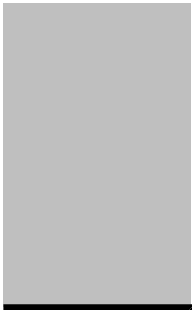
Vehicle Department Net Return on Investment (NROI)

Expenses		\$	606,261
Net Gross Profit		\$	345,822
Expenses (step 1)	-	\$	606,261
Operating Profit	=	\$	(260,439)
	÷		1
Department Operating Profit	=		(260,439)
Car	x		12
Net Operating Profit	=		(3,125,268)
	÷	\$	31,734,999
Inventory Investment (NROI) (as % of New Operating Profit)	=		-9.85%
Opportunity		\$	(67,318)

as guide as the prime rate changes)

...A.) plus a risk factor of 10%.





Impact of Excess New Vehicle Inventory

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[Summary of Monthly Profit Opportunities - Variable Op](#)

Impact of Excess New Vehicle

New Vehicle Retail Sales Dollars Y.T.D.

New Vehicle Retail Gross Profit Dollars Y.T.D.

New Vehicle Retail Cost of Sales Dollars Y.T.D.

Statement Month (example: May = 5)

New Vehicle Retail Cost of Sales Dollars (average)

*New Vehicle Inventory Month's Supply Profile

New Vehicle Inventory Dollars at Profile

New Vehicle Inventory Dollars (actual)

New Vehicle Inventory Dollars at Profile

Excess New Vehicle Inventory

Current Floor Plan Interest Rate

Annual Floor Plan Interest Expense on Excess

Monthly Opportunity of Floor Plan Interest Expense (or floor plan savings if not in stock)

Total Dealership Net Profit (average month)

Monthly Floor Plan Interest Expense on Excess
(or floor plan savings if not in stock)

Total Dealership Net Profit (average month) (from

Impact of Excess New Vehicle Inventory on

Guide: New Vehicle Inventory I

Inventory on Total Dealership Profitability

[Operations](#)

Inventory on Total Dealership Profitability

		\$ 15,729,109
-		\$ 345,822
=		\$ 15,383,287
÷		1
age month)	=	\$ 15,383,287
	x	2.0
	=	\$ 30,766,574

		\$ 31,734,999
-		\$ 30,766,574
=		\$ 968,425
x		3.5%
Inventory	=	\$ 33,895
	÷	12
Expense on Excess Inventory	=	\$ 2,825

	=	\$ 232,617
--	---	------------

Inventory (from above)		\$ 2,825
------------------------	--	----------

Inventory (from above)	÷	\$ 232,617
------------------------	---	------------

Total Dealership Net Profit	=	1.21%
------------------------------------	---	-------

Month's Supply

Used Vehicle Gross Profit Return on Sales

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[summary of gross profit opportunities - variable operations](#)

Used Vehicle Gross Profit Return on Sales

$$\begin{array}{ccccccc} \boxed{156} & \div & \boxed{5,545,033} & = & \boxed{0.00\%} & - & \boxed{12\%} & = \\ \text{MTD Used Vehicle} & & \text{MTD Used Vehicle} & & \text{MTD GP} & & \text{Guide} & \\ \text{Gross} & & \text{Sales} & & \text{Return on Sales} & & & \end{array}$$

Guide:

12%

Note: Used vehicle gross profit return on sales includes all gross profit and sales including F&I and "below the line" money.

ales

-12.00%	\$ 665,248
Variance:	Monthly Gross Profit
Over (Under)	Opportunity

as for the department,

Used Vehicle Department Break

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[Summary of Monthly Profit Opportunities - Vehicle](#)

Used Vehicle

Total Used Vehicle Department Exp

Statement Month

Average Month Used Vehicle Depa

Average Gross Profit PUVR (includ
(Does not include factory below 1

Number of Used Vehicles Needed

Actual Number of Used Vehicles

**Variance: Actual Number of Used
Break-Even Point**

Monthly Gross Profit Opportunity

Average Number of Used Vehicle

Number of Days to Achieve Brea

Break-Even Point Above the Line

[Variable Operations](#)

Department Break-Even Point Above the Line

Expenses YTD		300,218
	÷	1
Department Expense	=	300,218
(Including F&I) Above the Line (the line money or DOC fees)	÷	2,484
Days to Break-Even	=	121
Retail Sold (Average Month)	-	156
Days Vehicles Retail Sold Over (Under)	=	35
Profit	\$	-
Units Sold per Day		5.20
Break-Even Point		23.24



Used Vehicle Department Break-Even

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[Summary of Monthly Profit Opportunities -](#)

Used Vehicle Department Break-Even

Total Used Vehicle Department Expenses

Statement Month

Average Month Used Vehicle Department

Average Gross Profit PUVR (including
"Below the Line" Factory Money)

Number of Used Vehicles Needed

Actual Number of Used Vehicles

**Variance: Actual Number of Used Vehicles
Break-Even Point**

Monthly Gross Profit Opportunities

Average Number of Used Vehicles

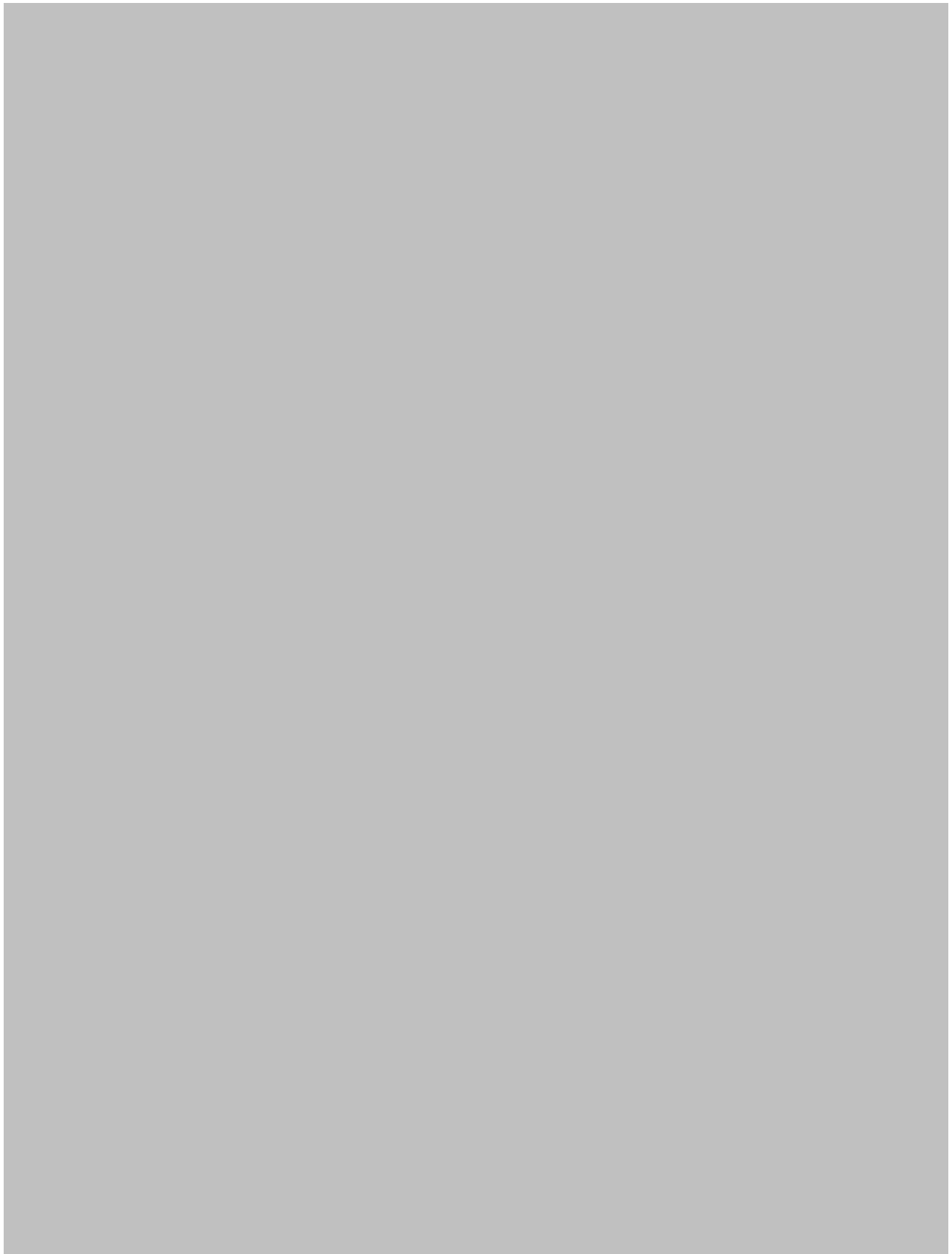
Number of Days to Achieve Break-Even

Break-Even With "Below the Line" Factory Money & DOC Fees

[Variable Operations](#)

Break-Even Point With "Below the Line" Factory Money & DOC Fees

Expenses YTD		300,218
	÷	1
Department Expense	=	300,218
Adding F&I & y & DOC fees	÷	2,484
Months to Break-Even	=	121
Months Retail Sold (Average Month)	-	156
Months Vehicles Retail Sold Over (Under)	=	35
Profitability	\$	-
Units Sold per Day		5.20
Break-Even Point		23.24



Used Vehicle Holding Cost per & the Impact of Holding Cost on

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[Summary of Profit Opportunities - Variable Costs](#)

Used

Total Used Vehicle Department Expense

Number of Used Vehicles Sold YTD

[Average Used Vehicle Holding Cost](#)

The Average Used Vehicle Holding Cost represents the YTD Expense on a per vehicle basis.

Impact of Holding Cost

Average Used Vehicle Holding Cost

Used Vehicle Gross Profit PUVR (per unit)
(with below the line money)

[Impact of Holding Cost on Used Vehicle Profit](#)

[Monthly Expense Reduction Opportunity](#)

[Yearly Expense Reduction Opportunity](#)

This percentage above indicates how much profit is reduced by the holding cost per unit.

[Dealers Have Got to Turn](#)



Unit Sold With Below the Line Factory Money & DOC Fees on Used Vehicle Gross Profit

[Operations](#)

Used Vehicle Holding Cost per Unit Sold

Expense YTD		\$ 300,218
Divided by (at retail)	÷	156
Cost per Unit Sold With Below the Line Money	=	\$ 1,924

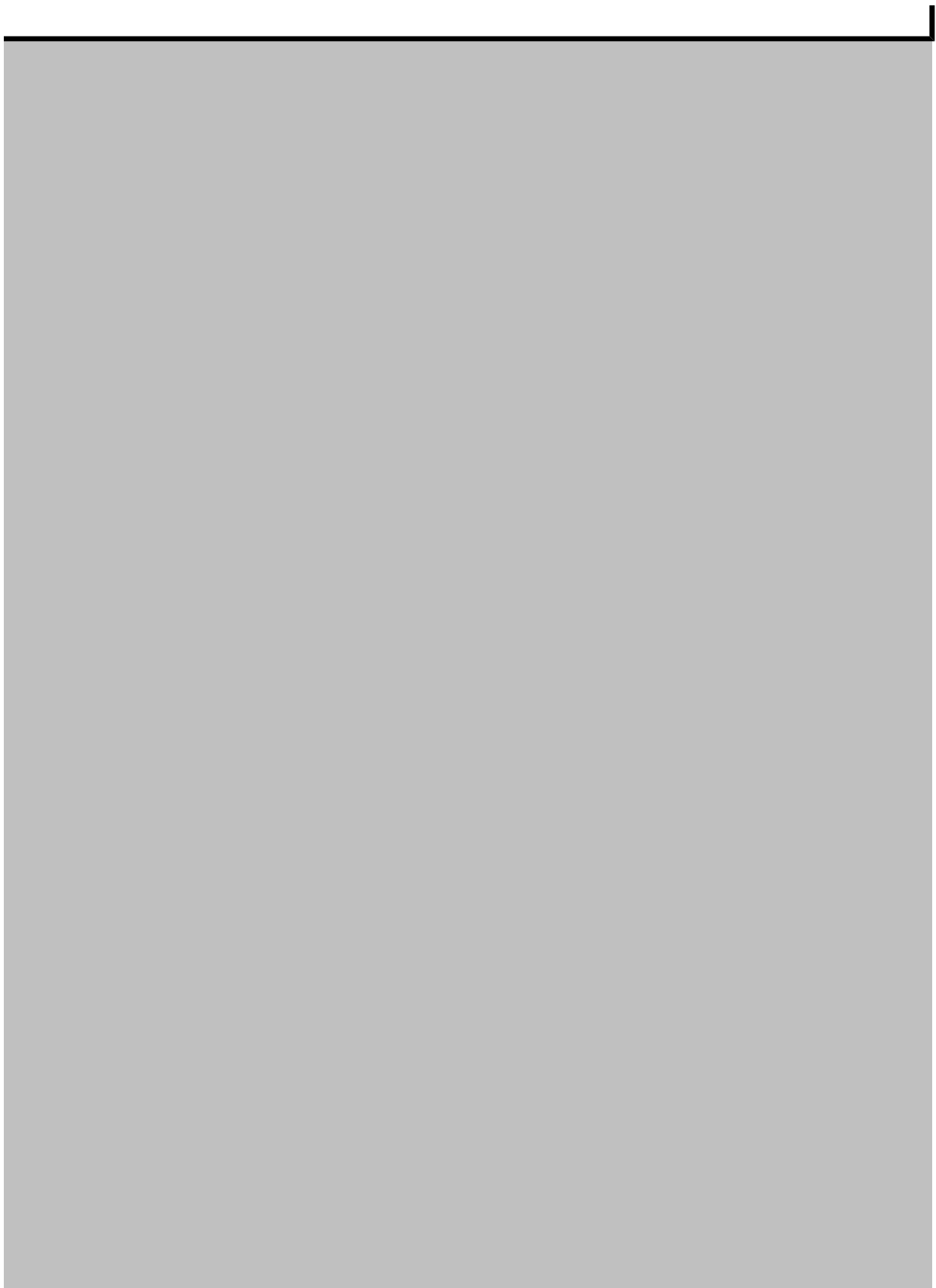
Cost per Month
per Used Vehicle Sold at Retail Basis.

Holding Cost on Used Vehicle Gross Profit per Unit

Cost per Unit Sold		\$ 1,924
Divided by (average month)	÷	\$ 2,484
Vehicle Gross Profit per Unit Sold	=	77%
Opportunity		\$ -
Opportunity		\$ -

How much of the average gross profit PUVR
used vehicle retained.

Reduce Inventories FAST by Accepting Less Gross Profit More Often!





Used Vehicle Inventory Days Supply

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[Summary of Monthly Cash Flow Opportunities - Variable Operations](#)

New and Used Vehicle Inventory Average Month Cost of Sales

New Vehicle Retail Sales Dollars Y.T.D.	
New Vehicle Retail Gross Profit Dollars Y.T.D.	-
New Vehicle Retail Cost of Sales Dollars Y.T.D.	=
Number of Month's Business	÷
New Vehicle Retail Cost of Sales Dollars (average month)	=
Used Vehicle Retail Sales Dollars Y.T.D.	
Used Vehicle Retail Gross Profit Dollars Y.T.D.	-
Used Vehicle Retail Cost of Sales Dollars Y.T.D.	=
Number of Month's Business	÷
Used Vehicle Retail Cost of Sales Dollars (average month)	=

Use

By taking the used vehicle inventory total from the balance sheet and dividing it by the average month used vehicle sales, and then multiplying it by 30 days, the vehicle inventory is calculated.

$$\frac{\$ 6,106,555}{\text{Used Vehicle Inventory}} \div \frac{\$ 5,118,107}{\text{Avg Month Used Vehicle Retail C.O.S.}} =$$

$$1.19 \times 30 =$$

Month's Supply of Used Vehicle Inventory

Guide: Your supply of used vehicle inventory

\$	15,496,167
\$	(152,708)
\$	15,648,875

	1
\$	15,648,875

\$	5,381,218
\$	263,111
\$	5,118,107

	1
\$	5,118,107



Used Vehicle Inventory Days' Supply

From the balance sheet
Vehicle retail cost of
Days supply of used

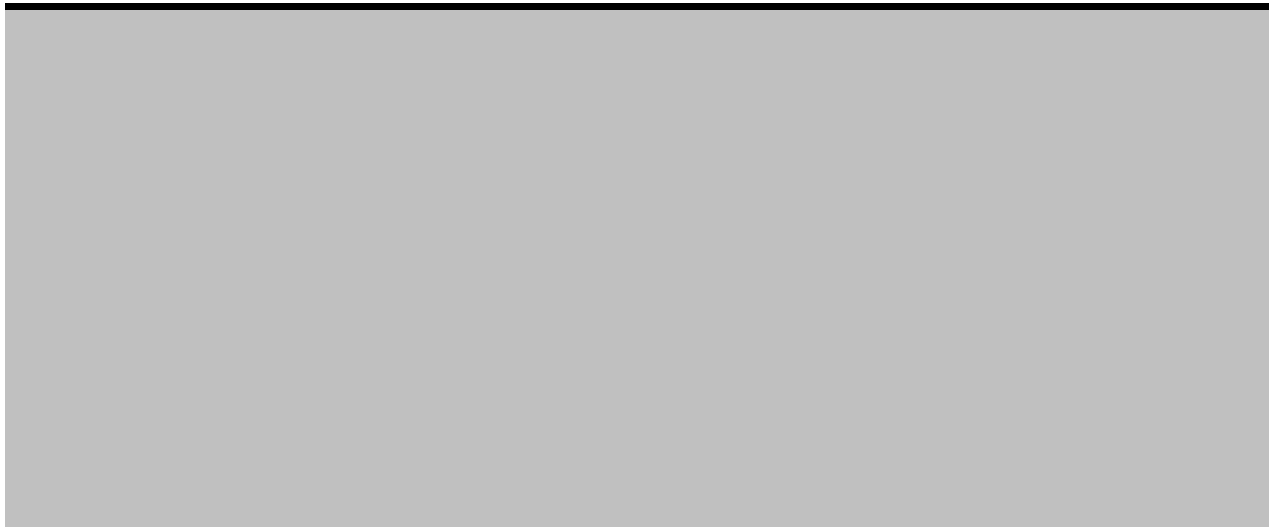
1.19
Months Supply
of Used Vehicle
Inventory

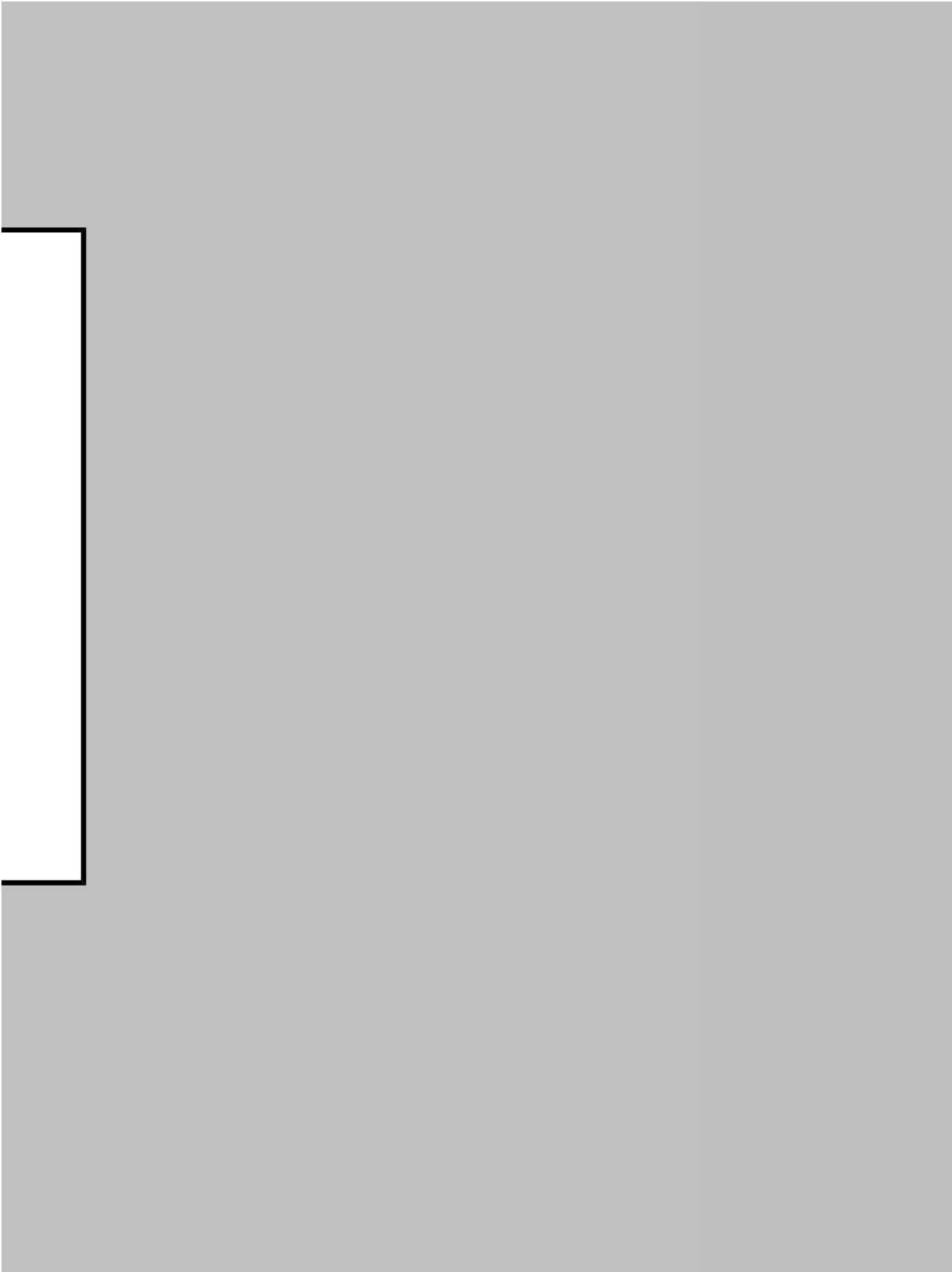
35.79
Days Supply
of Used Vehicle
Inventory

- **30** = **5.79**
Profile Variance

\$ 988,448
Cash Flow
Opportunity

Inventory should not exceed a 45 days supply





Used Vehicle Inventory Calendar Year Turns

[table of contents](#)

Used Vehicle Inventory Calendar Year Turns

Twelve Calendar Months

Month's Supply of Used Vehicle Inventory ÷

Used Vehicle Inventory Calendar Year Turns =

Guide: 12 Calendar Year Turns

ns

12

1.19

10.1

Used Vehicle Department Gross Return on Investment (GROI)

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[Summary of Profit Opportunities - Variable Operations](#)

Used Vehicle Department Gross Return on Investment

STEP 1 YTD Used Vehicle Retail Sales in Dollars

YTD Used Vehicle Wholesale Sales in Dollars

YTD Total Used Vehicle Retail & Wholesale Sales in Dollars

Number of Months Business

[Average Monthly Used Vehicle Sales in Dollars](#)

STEP 2 YTD Used Vehicle Retail Gross in Dollars (front-end only)

YTD Used Vehicle Wholesale Gross in Dollars

YTD Used Vehicle F&I Gross in Dollars

YTD Total Used Vehicle Department Gross in Dollars

Number of Months Business

[Average Monthly Used Vehicle Gross in Dollars](#)

STEP 3 Average Monthly Used Vehicle Gross in Dollars (from step 2)

Average Monthly Used Vehicle Sales in Dollars (from step 1)

Gross as a Percent of Sales

Used Vehicle Inventory Calendar Year Inventory Turns

[YTD Gross Return on Inventory Investment \(GROI\) \(as % of sales\)](#)

Monthly Gross Profit Opportunity

Guide: **144%**

Guide: Your gross as a percent of sales should be 12%. Your gross return on inventory investment (GROI) should be 144% (12% times 12 calendar year turns)

o)

Investment (GROI)

\$ 5,381,218

+ \$ 888,850

= \$ 6,270,068

÷ 1

= \$ 6,270,068

\$ 263,111

+ \$ 45,042

+ \$ 124,437

= \$ 432,590

÷ 1

= \$ 432,590

\$ 432,590

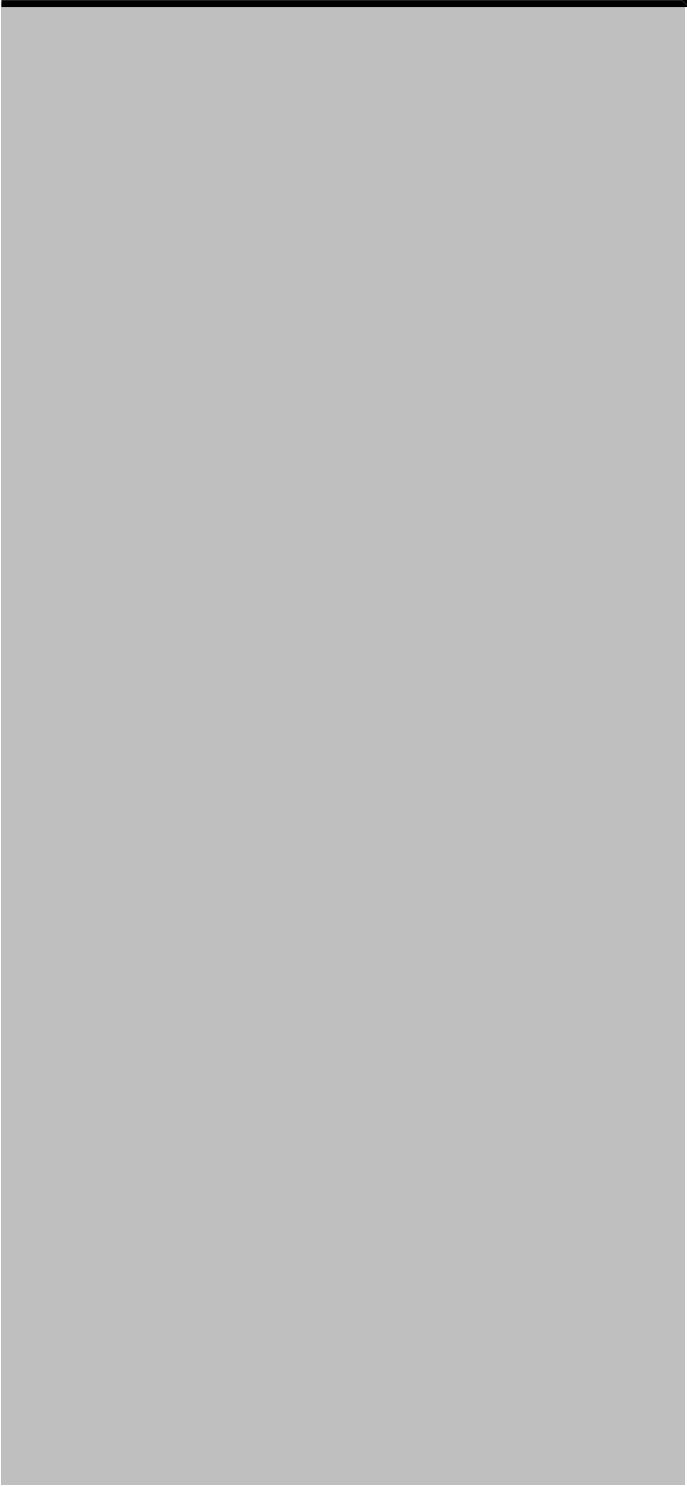
÷ \$ 6,270,068

= 6.90%

x 10.1

= 69.39%

\$	322,754
----	---------



Used Vehicle Net Return on Investment

[Table of Contents'](#)

[Summary of Profit Opportunities - Variable Operating Costs](#)

Use

STEP 1 YTD Used Vehicle Department Expenses

STEP 2 YTD Total Used Vehicle Department Expenses

YTD Used Vehicle Department Expenses

YTD Used Vehicle Department Operating Costs

Number of Months Business

Average Month Used Vehicle Department Expenses

Number of Months in Calendar Year

Annualized Used Vehicle Department Expenses

Used Vehicle Inventory in Dollars

Net Return on Used Vehicle Investment

Monthly Operating Profit Opportunity

Guide: 16% (Update this figure annually)

Guide: Prime rate plus 3% (C.O.L.)

Investment (NROI)

Operations

and Vehicle Net Return on Investment (NROI)

Expenses		\$	300,218
Net Gross Profit		\$	432,590
Expenses (step 1)	-	\$	300,218
Operating Profit	=	\$	132,372
	÷		1
Department Operating Profit	=		132,372
Car	x		12
Net Operating Profit	=		1,588,464
	÷	\$	6,106,555
Inventory Investment (NROI) (as % of Operating Profit)	=		26.01%
Opportunity		\$	-

as guide as the prime rate changes)

...A.) plus a risk factor of 10%.

Total Absorption

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[Summary of Profit Opportunities - Variable Operations](#)

	Total A
(Current Month Only)	
Used Vehicle Department Total Gross	
Parts Department Total Gross	+
Service Department Total Gross	+
Body Shop Department Total Gross	+
Total Dealership Gross Profit	=
Additional Gross Profit Generated From .3 Hours	1
Total Dealership Expense	
New Sales Commission Expense	-
New Policy Expense	-
New Get Ready / Delivery Expense	-
Adjusted Overhead Expense	=
Total Dealership Gross Profit	
Adjusted Overhead Expense	÷

Total Absorption Percentage

=

Monthly Opportunity

bsorption

	% of Adj. Overhead
\$ 156	0.01%
\$ 392,674.00	22.23%
\$ 1,126,635.00	63.77%
\$ -	0.00%
\$ 1,519,465 (A)	86.00%

Without Additional GP From .3 Hours

\$ 1,987,245

\$ 215,451

\$ (5,126)

\$ 10,112

equals

\$ 1,766,808 (B)

\$ 1,519,465 (A)

\$ 1,766,808 (B)

With Additional GP From .3 Hours

\$ -

\$ 1,987,245

\$ 215,451

\$ (5,126)

\$ 10,112

equals

\$ 1,766,808

\$ 1,519,465

\$ 1,766,808

NADA Guide

86.00%

100%

86.00%

\$ 247,343

\$ 247,343



Frozen Capital - Vehicle Receivable

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[summary of cash flow opportunities - variable operations](#)

Frozen Capital - Vehicle Receivable

$$\begin{array}{ccccc} \$ & 1,113,100 & \div & \$ & 42,507 & = & 26.19 & - \\ \text{Vehicle Receivables} & & & \text{Average Retail} & & & \text{Unit Equivalency} & \\ & & & \text{New \& Used} & & & \text{of Vehicle} & \\ & & & \text{Vehicle Sales} & & & \text{Receivables} & \\ & & & \text{Price} & & & & \end{array}$$

$$\begin{array}{ccccc} (46.81) & \times & \$ & 42,507 & = & \$ & - \\ \text{Variance: Number} & & & \text{Average Retail} & & & \text{Frozen Capital} \\ \text{of Vehicle Receivables} & & & \text{New \& Used} & & & \\ \text{Over (Under) Guide} & & & \text{Vehicle Sales} & & & \\ & & & \text{Price} & & & \end{array}$$

Note: Enter the total new and used
retail sales dollars for current month

\$ 21,041,200

$$\begin{array}{ccccc} \$ & 1,113,100 & \div & \$ & 21,041,200 & = & 0.05 \text{ Mth's Sup} \end{array}$$

ivable

73.00	=	(46.81)
Number of New & Used Retail Units Delivered During Last 3 Days of the Month		Variance: Number Contracts in Transit Over (Under) Guide

x	30	=	1.59 Days Supp
---	----	---	----------------

Frozen Capital - Contracts in Transit

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Frozen Capital - Cor

\$ 2,141,364	÷	\$ 42,507	=	50.38
Contracts in Transit		Average Retail New & Used Vehicle Sales Price		Unit Equivalency of Contracts in Transit

-22.62	x	\$ 42,507	=	\$ -
Variance: Number Contracts in Transit Over (Under) Guide		Average Retail New & Used Vehicle Sales Price		Frozen Capital

Note: Enter the total new and used retail sales dollars for current month

\$ 21,041,200

\$ 2,141,364	÷	\$ 21,041,200	=	0.10
--------------	---	---------------	---	------

Contracts in Transit

-

73.00

=

-22.62

Number of
New & Used Retail
Units Delivered
During Last 3 Days
of the Month

Variance: Number
Contracts in Transit
Over (Under) Guide

Mth's Supl

x

30

=

3.05 Days Supp

Frozen Capital - Used Vehicle Inventory

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[summary of cash flow opportunities - variable operations](#)

Frozen Capital

Used Vehicle Inventory should not exceed a 1.00 month or a

\$ 5,118,107	x	1.00	=
Avg Month used veh c.o.s			

\$ 6,106,555	-	\$ 5,118,107	=
Actual Used Veh. Inventory		Guide Objective	

\$ 6,106,555	÷	\$ 5,118,107	=
--------------	---	--------------	---

tal - Used Vehicle Inventory

30 days' dollar supply at cost.

\$ 5,118,107

Guide Objective

\$ 988,448

Frozen Capital

1.19 Mth's Supl	x	30	=	35.79 Days Supp
-----------------	---	----	---	-----------------

Average Inventory Cost Versus Average Cost per Unit

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New Vehicle Average Inventory Cost versus Average

New Vehicle Inventory	
New Vehicle Units In Stock	÷
Average Inventory Cost Per New Unit	=

New Vehicle Retail Sales (avg month)	
New Vehicle Retail Gross (avg month)	-
New Vehicle Retail Cost of Sales (avg month)	=
New Vehicle Retail Unit Sales (avg month)	÷

Average Cost Per New Unit Retailed	=
---	---

Guide: The average inventory cost per new unit in stock should be of the average cost per new unit retailed.

Purpose: To determine if the value of the average unit in i
with the average value of the new units sol

Guide: The average inventory value of the units retailed
average inventory value. If not, you may be stockin

Used Vehicle Average Inventory Cost versus Average

Used Vehicle Inventory	
Used Vehicle Units In Stock	÷

Average inventory cost per unit

=

Used Vehicle Retail Sales (avg month)

Used Vehicle Retail Gross (avg month)

-

Reconditioning Expense (If not a Memo) (avg month)

+

Used Vehicle Retail Cost of Sale (avg month)

=

Used Vehicle Retail Unit Sales (avg month)

÷

Average Cost Per Unit Retailed

=

Guide: The average inventory cost per used unit in stock should be of the average cost per used unit retailed.

**Purpose: To determine if the value of the average unit in i
with the average value of the used units sol**

**Guide: The average inventory value of the units retailed
average inventory value. If not, you may be stockin**

Retailed

e Cost per Unit Retailed

\$ 31,734,999

692

\$ 45,860

Cars

15496167

-152708

\$ 15,648,875

339

\$ 46,162

within \$2,000

Inventory compares well
d at retail.

should be close to the
g the wrong units.

e Cost per Unit Retailed

\$ 6,106,555

272

\$	22,451
----	--------

Cars

\$	5,381,218
\$	263,111
\$	-
\$	5,118,107
	156

\$	32,808
----	--------

± within \$2,000

Inventory compares well
to retail.

should be close to the
right units.

Frozen Capital Summary

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FROZEN CAPITAL - VE

\$ 1,113,100	÷	\$ 42,507	=	26.2
Vehicle Receivables		Average Retail New & Used Vehicle Sales Price		Unit Equivalency of Vehicle Receivables

(46.8)	X	\$ 42,507	=	\$ -
Variance: Number of Vehicle Receivables Over (Under) Guide		Average Retail New & Used Vehicle Sales Price		Frozen Capital

Note: Enter the total new and used
retail sales dollars for current month

\$ 21,041,200

\$ 1,113,100	÷	\$ 21,041,200	=	0.05
--------------	---	---------------	---	------

FROZEN CAPITAL - CO

\$ 2,141,364	÷	\$ 42,507	=	50.4
Contracts in Transit		Average Retail New & Used Vehicle Sales Price		Unit Equivalency of Contracts in Transit

(22.6)	X	\$ 42,507	=	\$ -
Variance: Number Contracts in Transit Over (Under) Guide		Average Retail New & Used Vehicle Sales		Frozen Capital

Price

Note: Enter the total new and used
retail sales dollars for current month

\$ 21,041,200

\$ 2,141,364 ÷ \$ 21,041,200 = 0.10

FROZEN CAPITAL - SERVICE, PAR

Guide: Customer receivables should not exceed 50% of current month

\$ 1,268,865 x 50% = \$ 634,433
Current Month P,S,BS Sales Your Guide Objective

\$ 216,558 - \$ 634,433 = \$ -
Actual cust P,S & BS accts Rec Guide Objective Frozen Capital

\$ 216,558 ÷ \$ 1,268,865 = 0.17

FROZEN CAPITAL - WA

Warranty Receivables should not exceed 25%

\$ 439,859 x 25% = \$ 109,965
Current Month Warranty Sales Guide Objective

\$ 185,447 - \$ 109,965 = \$ 75,482
Actual Warranty Receivables Guide Objective Frozen Capital

Interpretation: * Based on the frequency of warranty credits paid by Ma
select the correct % below and enter it in cell C86 below.

Guide:

If you are paid weekly by the manufacturer on your warranty claims use
If you are paid semi-monthly (twice a month) by the manufacturer on y

If you are paid monthly by the manufacturer on your warranty claims use

25%

Enter your guide % above based on how frequently you

$$\text{\$ } 185,447 \div \text{\$ } 439,859 = 0.42$$

FROZEN CAPITAL - PARTS &

Guide: Inventory should not exceed a 1.5 month supply at cost.

$$\begin{array}{rcll} \text{\$ } 985,159 & \times & 1.5 & = & \text{\$ } 1,477,739 \\ \text{Avg Month parts cost of sales*} & & & & \text{Guide Objective} \end{array}$$

$$\begin{array}{rcll} \text{\$ } 744,060 & - & \text{\$ } 1,477,739 & = & \text{\$ } - \\ \text{Actual Parts Inventory} & & \text{Guide Objective} & & \text{Frozen Capital} \end{array}$$

*If statement does not have a cost of sales column, reverse the sign on purchase and deduct from total gross profit. If statement does have a cost of sales column, leave inventory. Then, add or deduct from total cost of sales.

$$\text{\$ } 744,060 \div \text{\$ } 985,159 = 0.76$$

FROZEN CAPITAL - USED

Used Vehicle Inventory should not exceed a 1.0 month dollar supply at

$$\begin{array}{rcll} \text{\$ } 5,118,107 & \times & 1.0 & = & \text{\$ } 5,118,107 \\ \text{Avg Month used veh c.o.s} & & & & \text{Guide Objective} \end{array}$$

$$\begin{array}{rcll} \text{\$ } 6,106,555 & - & \text{\$ } 5,118,107 & = & \text{\$ } 988,448 \\ \text{Actual Used Veh. Inventory} & & \text{Guide Objective} & & \text{Frozen Capital} \end{array}$$

$$\text{\$ } 6,106,555 \div \text{\$ } 5,118,107 = 1.19$$

FROZEN CAPIT

Excess Vehicle Receivables

Excess Contracts in Transit

Excess Customer Receivables

Excess Warranty Receivables

Excess Parts & Accessories Inventory

Excess Used Vehicle Inventory

Total "Frozen Capital"

Multiply by Floor Plan Rate 3.50%

Annual Cost Of Frozen Capital

VEHICLE RECEIVABLE

-

73.0

Number of
New & Used Retail
Units Delivered
During Last 3 Days
of the Month

=

(46.8)

Variance: Number
Contracts in Transit
Over (Under) Guide

Mth's Supl

x

30

=

1.59 Days Supp

CONTRACTS IN TRANSIT

-

73.0

Number of
New & Used Retail
Units Delivered
During Last 3 Days
of the Month

=

(22.6)

Variance: Number
Contracts in Transit
Over (Under) Guide

Mth's Supl	x	30	=	3.05 Days Supp
------------	---	----	---	----------------

TS & BODY SHOP RECEIVABLES

's customer (retail and wholesale) fixed ops sales.

Mth's Supl	x	30	=	5.12 Days Supp
------------	---	----	---	----------------

RRANTY RECEIVABLE

% of month's warranty parts and labor sales

nufacturer each month,

≥ 25%

our warranty claims use 50%

se 100%

are paid warranty credits

$$\text{Mth's Supl} \times 30 = 12.65 \text{ Days Supp}$$

ACCESSORIES INVENTORY

allowance & adjustment parts inventory. Then add or
the sign as it is on purchase allowance & adjustment parts

$$\text{Mth's Supl} \times 30 = 22.66 \text{ Days Supp}$$

D VEHICLE INVENTORY

cost.

$$\text{Mth's Supl} \times 30 = 35.79 \text{ Days Supp}$$

TOTAL SUMMARY

+ \$ -

+ \$ -

+ \$ -

+ \$ 75,482

+ \$ -

+ \$ 988,448

= \$ **1,063,930**

X 3.50%

= \$ **37,238**

Cash Days Supply

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[summary of cash flow opportunities - variable operations](#)

Cash Days Supply

Cash

Contracts in Transit

Vehicle Receivables

Marketable Securities

Net Cash Available

Average Month's Total Dealership Expenses

Cash Months Supply

Convert to Days

Cash Days Supply

Opportunity (Cash Required to Meet Guide)

Guide: Cash days supply should be at 90 days or greater.

90

Note: If you are below a 90 days supply of cash, look for frozen capital in the following: Used vehicle inventory, parts & accessories inventory, warranty receivable and parts body shop receivable.

\$ 2,688,032

+ \$ 2,141,364

+ \$ 1,113,100

+ \$ -

= \$ 5,942,496

÷ \$ 1,987,245

= 3.0

x 30

= 89.7

\$ 19,239

ving areas:
ts, service &

5

1

0

0

0

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1

1

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1

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1

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1
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11

5
11
0
0

5

12

0

0

111

0

1

1

0

0

11

1000

Inventory Trust Position

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Inventory Trust Position

New Vehicle Inventory		\$	692
Demonstrator Inventory	+	\$	-
Factory holdback receivable	+	\$	-
Total Inventory Value	=	\$	692
-			
Less: Notes Payable New Vehicles	-	\$	3,557,824
Inventory Trust Position	=	\$	(3,557,132)
Opportunity (Available Flooring)		\$	-

- * If your inventory trust position is a positive number, you have an positive and an in trust position.
- * If your inventory trust position is a negative number, you have a negative position and an out of trust position.
- * Even though the dealership may show an out of trust position, it may stil compliance with the flooring source's agreement.
- * Many units are delivered on the last 2 -3 days of the month and are not until the 1st, 2nd or 3rd of the following month. This causes the dealership out of trust on the financial statement, due to the inventory having been received at month end while the floor plan payable liability still remains on the general ledger.
- * General Motors does not break-out the factory holdback receivable on the financial statement. It is included in the factory receivable account on the financial statement.
- * The inventory trust position should either be a zero balance or a positive balance.
- * If you have a negative inventory trust position, the balance should not exceed the contracts in transit balance.

equity

equity

I be in

paid off
p to appear
believed
eral ledger.
ne financial
statement.
balance.
ceed the

Summary of Monthly Profit C

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(Click on a Specific Category Tab Num

Summary

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[Tab 77 - Total Dealership Expense](#)

GRAND TOTAL

Opportunities - Variable Operations

Number & Name to Go Directly to That Tab)

of Monthly Profit Opportunities - Variable Operations

	#DIV/0!
Break-Even Point Above the Line	\$ 586,608
Break-Even Point With Below the Line Factory Money	\$ 260,439
Return on Sales	\$ 368,405
Gross Return on Investment (GROI)	\$ 58,755
Net Return on Investment (NROI)	\$ (67,318)
Vehicle Inventory on Total Dealership Net Profit	\$ -
Truck Inventory on Total Dealership Net Profit	\$ 2,825
Return on Sales	\$ 665,248
Break-Even Point Above the Line	\$ -
Break-Even Point With "Below the Line" Factory Money	\$ -
Break-Even Point With Below the Line Factory Money	\$ -
Break-Even Point	\$ -
Gross Return on Investment (GROI)	\$ 322,754
Net Return on Investment (NROI)	\$ -

\$ 247,343

[as % Total Dealership Gross Profit](#)

#VALUE!

[as % Total Dealership Gross Profit](#)

#DIV/0!

#DIV/0!



Summary of Monthly Profit C

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(Click on a Specific Category Tab Num

Summary c

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GRAND TOTAL

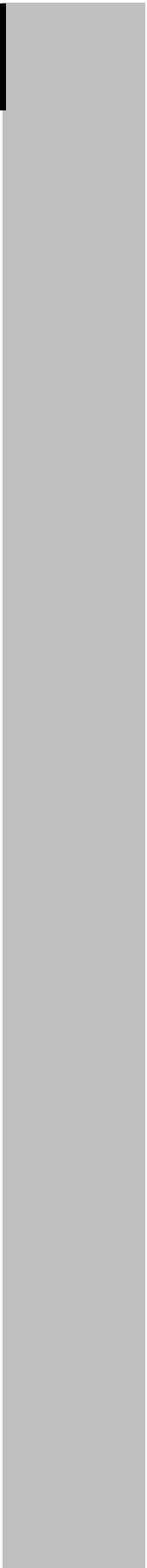
Opportunities -Fixed Operations

Number & Name to Go Directly to That Tab)

of Monthly Profit Opportunities - Fixed Operations

Profit Return on Sales	\$ -
ing Profit Return on Gross Profit	\$ -
Even Point	\$ -
eded to Achieve a 20% Operating Profit	\$ 152,520
r - Not Scheduled	\$ 9,362
r - If Scheduled	\$ -
r Calculator - Mechanical	\$ 25,312
sis - Hours per RO	\$ 23,056,293
sis - Customer Pay ELR	\$ -
op per Day	\$ 23,835,120
per Day	\$ 5
	\$ 1,270,072
	\$ 2,674,535
	\$ 1,229,042
or & Customer Pay Effective Labor Rates	\$ -

<u>Effective Labor Rate & Customer Pay Effective Labor Rate</u>	\$ -
<u>ir Order</u>	\$ 49,097,807
<u>Order Were at Guide</u>	\$ -
<u>Profit Return on Sales</u>	\$ 45,219
<u>ing Profit Return on Gross</u>	\$ -
<u>ven Point</u>	\$ -
<u>ounterme n per Day to Achieve a 20% Operating Profit</u>	\$ 69,917
<u>s: Parts Gross Turns</u>	\$ -
<u>s: Parts True Turns</u>	\$ -
<u>calculator</u>	\$38,245
<u>Return on Investment (GROI)</u>	\$ -
<u>urn on Investment (NROI)</u>	\$ -
<u>ry Reconciliation</u>	\$ -
<u>in</u>	\$ 135,866
<u>by .3 Hours</u>	\$ -
<u>er Pay RO</u>	\$ -
	\$ -
<u>hour of Labor per Technician per Day</u>	\$ 505,254
<u>nth of Technician Idle Time</u>	\$ 5,608,316
	\$ 107,752,885



Summary of Monthly Cash Flow Opportunities - Variable

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[Grand Total Summary](#)

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Summary of Monthly Cash Flow Opportunities - Variable

[Tab 49 - Days' Supply of Vehicle Receivables](#)

[Tab 50- Days' Supply of Contracts in Transit](#)

[Tab 51 - New Vehicle Inventory Days Supply](#)

[Tab 62 - Used Vehicle Inventory Days Supply](#)

[Tab 67 - Frozen Capital - Vehicle Receivable](#)

[Tab 68- Frozen Capital - Contracts in Transit](#)

[Tab 69 - Frozen Capital - Used Vehicle Inventory](#)

[Tab 71 - New Vehicle Inventory Analysis](#)

[Tab 71 - Used Vehicle Inventory Analysis](#)

[Tab 73 - Cash Days Supply](#)

[Tab 74 - Working Capital](#)

[Tab 75 - Inventory Trust Position](#)

GRAND TOTAL

Operations

Tab)

Variable Operations

\$	-
\$	37,244
\$	437,249
\$	988,448
\$	-
\$	-
\$	988,448
\$	-
\$	-
\$	19,239
\$	-
\$	-
\$	2,470,628

Summary of Monthly Cash Flow Opportunities - Fixed O

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[Grand Total Summary](#)

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Summary of Monthly Cash Flow Opportunities -

[Tab 8 - Work in Process Inventory Days' Supply](#)

[Tab 24 - Parts Inventory Days' Supply](#)

[Tab 40 -Parts, Service & Body Shop Receivable Days Supply](#)

[Tab 41 - Warranty Claims Receivable Days Supply](#)

[Tab 42 - Frozen Capital - Service, Parts & Body Shop Receivable](#)

[Tab 43- Frozen Capital - Waranty Claims Receivable](#)

[Tab 44 - Frozen Capital - Parts & Accessories Inventory](#)

[Tab 45 - Service, Parts & Body Shop Receivables Past Due](#)

GRAND TOTAL

operations

Tab)

Fixed Operations

\$	-
\$	-
\$	-
\$	75,482
\$	-
\$	75,482
\$	-
\$	-
\$	150,965

Grand Total Summary of All Monthly Profit & Cash Flow

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Grand Total Summary of All Monthly Profit & Cash Flow

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[Tab 80- Summary of Cash Flow Opportunities - Variable](#)

[Tab 81 - Summary of Cash Flow Opportunities - Fixed](#)

GRAND TOTAL

low Opportunities

hat Tab)

low Opportunities

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\$ 107,752,885

\$ 2,470,628

\$ 150,965

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