

# *Driven*

NADA MANAGEMENT SERIES

TD08

## ATD Performance Measurement 2017



AMERICAN  
TRUCK DEALERS  
A DIVISION OF NADA

The National Automobile Dealers Association (NADA) has prepared this management guide to assist its dealer members in being as efficient as possible in the operation of their dealerships. The presentation of this information is not intended to encourage concerted action among competitors or any other action on the part of dealers that would in any manner fix or stabilize the price or any element of the price of any good or service.

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# ATD Performance Measurement 2017

*ATD Performance Measurement 2017 provides medium- and heavy-duty truck dealers with relevant comparative performance guides, including overall dealership performance and departmental information for sales, parts, service and body shop. To gain insight into your dealership and employee performance, combine knowledge of your own market with the ATD 20 Group and Academy data and industry information below.*

## State of the Industry

The year 2016 was down from 2015 for the commercial truck dealership industry. There were significant declines in overall new- and used-truck units sold, as well as in gross dollars per unit, gross profit percentage, employee productivity and absorption. Dealership expenses per employee decreased, but not at the same rate as gross profit per employee.

Overall profitability as a percentage of sales decreased, as did return on assets and return on net worth. Asset management performance in all areas (inventories and receivables) showed some improvement. As in 2015, recruiting and retaining employees and customers continued to be a challenge in 2016. The challenge for 2017 is to continue to improve asset performance (turns and collections) while maintaining and growing fixed operations sales and gross profit without increasing expenses.

In terms of truck sales, the trend of fewer dealership owners competing for a bigger piece of a smaller pie continued. The trend still moves toward not only fewer, larger customers but also fewer, larger dealers. Competition for parts and service sales from non-OEM suppliers (aftermarket parts, independent service providers, full maintenance lease, etc.) continues to stiffen. Manufacturers continue to push consolidation, as well as such other programs as vendor-managed parts inventory and reducing service department downtime.

The overall new-truck market was down in 2016. Class 8 sales through November 2016 were down by 22.4 percent from 2015. Class 8 sales at the beginning of 2016 were forecast to be in the 220,000-235,000 range. It now appears that the total will be below the 200,000-unit level (*Transport Topics* 12/19/16). November 2016 orders ended a 20-month year-over-year reduction in orders, increasing by approximately 16 percent from November 2015 (*Transport Topics* 12/12/16). It is believed that there are approximately 105,000 more tractors available than current marketplace demand, according to Michael Baudenistel of Stifel, Nicolaus & Co. (*Transport Topics* 12/12/16). It is expected that Class 8 sales will continue to lag over much of 2017 and slowly improve as electronic logging device (ELD) adoption occurs toward the end of 2017. Medium-duty sales were up 4.3 percent over 2015 (*Transport Topics* 12/19/16).

Used-truck values continued their plunge in 2016. Auction value depreciation was in the 3-5 percent-per-month range for 2016. Trucks sold in 2015 were worth approximately 30 percent more than those sold in 2016. In addition, the overall wholesale market trended lower both from September to October 2016, and year-over-year October 2015 compared to October 2016. On the positive side, retail pricing was not reduced as much as wholesale for the same time period (*Guidelines: Commercial Truck Guide Industry Update*, December 2016). Mileage for used vehicles was lower than 2015 but the trucks were slightly older (*Transport Topics* 12/5/16).

Used-truck unit retail sales in 2016 mirrored 2015 sales through October 2016. Inventories of used trucks appear to be above ideal levels, a factor that will continue to put pressure on pricing. The overall forecast going into 2017 is one of continued downward pricing pressure as supply continues to outpace demand.

As in 2015, the transition of ownership in the industry continued to be a major event in 2016. This transition period holds opportunities as well as pitfalls. While dealership valuations appear to have decreased somewhat, the market for acquisition is still strong. Generational change as well as OEM consolidation will continue to present acquisition opportunities and more investment firms may be looking to invest and generate yield. As was the case last year, we are looking at significant opportunities for improved profitability and market share for truck dealerships that continue to enhance and improve their operations.

## Dealership Performance

As the ATD Critical Operating Variables chart on page 8 shows, net profit as a percentage of sales (line 1) decreased in 2016 for both average and best-of-class dealerships. Though this category has trended down for all three years shown, there was a significant decline in the past year. Gross per employee (line 6) for both average and best-of-class dealerships continued to decrease, while expenses per employee (line 7) reversed a steady year-over-year climb and went down in 2016 for both average and best-of-class dealers. The reduction in gross per employee outweighed the decrease in expense. Expenses as a percentage of gross (line 9) increased for both average and best-of-class dealers. Absorption (line 59) continued to decrease for the average dealer but remained flat for best-of-class dealers.

From a balance sheet perspective, return on assets (line 2) continued to decline for both average and best-of-class dealers. Return on net worth (line 3) also declined for both. Cash months' supply (line 10) improved from 2015 for average dealers but stayed flat for best-of-class. Past-due receivables (line 12) decreased significantly for average dealers; best-of-class dealers cut their past-due receivables by almost

half from 2015. Warranty collection cycle time (line 13) decreased.

Class 8 sales decreased significantly and these results are reflected in the new-truck sales department financial performance. New-truck sales department gross profit dollars were down considerably for both average and best-of class (line 15). New-truck gross profit percentage (line 16) dropped as well for both average and best-of-class dealers in 2016 compared with 2015. New-truck inventory turns (line 19) improved modestly for the average dealer and significantly for best-of-class dealers. New-truck sales production per employee (lines 21 and 22) decreased, with best-of class dealers decreasing significantly in this area and average dealers showing a moderate decrease.

As indicated earlier, commercial truck dealership valuations continued to implode throughout 2016 and the impact is reflected in the used-truck sales department financial performance. Used gross per unit (line 24) was down for both average and best-of-class dealers. Gross as a percentage of sales (line 25) decreased significantly for the average dealer, but best-of-class dealers saw a percentage point increase. Inventory turns (line 28) were flat for the average dealer but dropped a full turn for best-of-class dealers. While net return on used inventory (line 29) dropped significantly for the average dealer for the third year in a row, best-of-class dealers improved slightly from 2015. Both average and best-of-class dealers saw a decline in production, in terms of sales per employee (line 30); in gross per employee (line 31), average dealers declined and best-of-class dealers improved slightly. In addition, according to the ATD Academy Used-Truck Study, it appears that aging of inventory continues to increase. Overall, used-truck performance dropped significantly from 2015.

F&I income per unit decreased for new-truck sales (line 17) but increased for used-truck sales (line 26) by best-of-class dealers. As in 2015, providers of F&I have stabilized but it appears that larger dealer groups are investigating entering the finance market on a private-brand basis. Dealerships continue to strengthen this department and identify other products and services to help increase overall truck sales and dealership profitability.

Service department gross profit percentage (lines 33, 34 and 35) decreased in all categories. However, customer labor sales volume as a percentage of total labor sales (line 32) continues to increase for both average and best-of-class dealers. Warranty sales driven by new technology (i.e. emission controls) continue to be significant in the service department but warranty gross percentage decreased (line 34). Production per employee sales and gross (lines 36 and 37) decreased but service absorption (line 38) was flat for the average dealer and decreased for best-of-class dealers. Process efficiencies are improving in dealerships but there are significant opportunities to improve production in the service department, reduce dwell time and cycle time and increase overall service (and fixed operations) profitability. As in 2015, the supply of qualified technicians continues to be a concern and pressure for improved throughput and cycle time was felt by many dealerships. Because of these factors, along with continued customer demand to decrease downtime, efficiencies in the repair order process are vital for dealers to maximize output and performance in this department.

Overall parts department gross profit percentage (line 39) remained relatively flat compared with 2015. That held true for most gross profit percentage categories except for customer RO gross percentage (line 41), which decreased by approximately 0.8 percentage points for the average dealer and 1 percentage point for best-of-class. The wholesale gross percentage (line 45) increased slightly for the average dealer but decreased 4 percentage points for the best-of-class dealer. This is an indication of the continued pressure on pricing in the wholesale parts market. Breakeven gross profit percentage (line 40) saw increases for both average and best-of-class dealers, indicating increased expenses as a percentage of gross profit for this department. Turns (line 46) remained flat compared to 2015, but below 2014 levels. Inventory performance (line 48) saw 2 percentage points' decrease for the average dealer and the same increase for best-of-class. Inventory management continued to be a significant challenge for many dealerships in 2016. The OEM Vendor Managed Inventory (VMI) continues to present both challenges and opportunities for dealerships.

Body shop customer labor sales as a percentage of total labor sales (line 52) improved in 2016 for both average and best-of-class dealers. Indeed, best-of-class dealers enjoyed a better-than-20 percent increase in this category—a reversal of a similar decrease in 2015. Customer labor sales as a percentage of total labor sales are now back at 2014 levels. Body shop labor gross profit percentage (lines 53, 54 and 55) in 2016 was similar to the two preceding years, except for warranty labor gross percentage: That continues to trend upward with 79 percent and 77 percent for average and best-of-class dealers, respectively. Sales and gross per employee (lines 56 and 57) remained flat. Body shop absorption (line 58) saw modest increases for both average and best-of-class dealers.

## Outlook for 2017 and Beyond

Most economic experts predict GDP growth in the 2+ percent range for 2017. An increase in manufacturing as well as other areas is expected. However, the increase in economic activity does not appear to enhance Class 8 sales. The order board does appear to be shifting upward; December 2016 sales were about 10 percent higher than November 2016 sales, although orders were lower than in December 2015.

Used-truck sales and inventory values should continue to be in flux in 2017. Unit sales may grow slightly as the economy continues to pick up steam but the continued imbalance of supply to demand will keep values down. Used-truck inventory management will be increasingly important. Those dealerships that have a strong used-truck department will have a significant competitive advantage in new-truck sales over those that do not.

There will continue to be pressure on the parts market from independent distributors, new vendors entering the marketplace and dealers expanding their all-make offerings. This pressure will affect margins in the wholesale market. In addition, the OEM sales programs continue to erode the overall GP. However, there are many dealerships whose sound pricing strategies allow them to retain strong overall gross profit margins while at the same time increasing overall piece sales. OEM vendor-managed parts inventories continue to have a

major impact on dealership parts operations, as they increasingly place decision-making in the hands of the OEM instead of the dealership. However, as with pricing, those dealerships that continue to implement and execute strong parts inventory practices can successfully enhance overall parts inventory performance.

Service and body shop business should remain strong. As economic conditions improve, utilization of trucks in service will increase. Freight volume continues to grow, although the number of loads is not increasing greatly. However, the Right to Repair Act now opens software and other technologies to non-OEM service providers. How this may impact the dealership service environment is still unclear but possibly it could increase competition for more complex repairs (*Fleet Equipment* 1/3/17). In addition, OEMs are continuing to develop service programs, certifications, etc., for the OEM dealership that focuses on improving throughput and the customer relationship. Significant investment as well as culture and process change are needed to get the full ROI on these programs. Dealerships that have fully embraced these programs have seen significant reductions in cycle time and increases in overall facility and technician utilization, leading to increased sales and margin. In addition, dealerships that are looking beyond the traditional service model are finding other sales and margin opportunities for labor and parts while strengthening relationships with their customers. Dealerships should see a continued increase in service work as customers seek to repair rather than replace trucks. Truck service work is driven by a truck's age and the increasing complexity of repairs. Improving throughput (enhancing production capacity) will remain highly important in 2017.

As has been the trend, the ability to attract qualified people to this industry continues to be a significant challenge facing dealers. Expense management, especially personnel and production expense, will continue to be a challenge. Increasing cycle time, improving asset management (inventory and receivable collection) and improving sales and gross profit per employee will continue to separate the best performers from the average dealership. This will mean continuing to view the business from a best-practice standpoint, not from "the way it has always been done."

## Critical Operating Variables Analysis

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Keep these factors in mind when reviewing our analysis of 60 Critical Operating Variables (COVs) from ATD 20 Group members and Academy participants for calendar years 2014 through 2016. The COVs are proven financial result measures—past, current and future—of economic performance for a medium- or heavy-duty truck dealership. These measures indicate overall financial results (e.g., total dealership net profit as a percentage of sales) and project potential cash flow issues (e.g., parts and service receivables past due). They provide an excellent indication of employee productivity (e.g., sales, gross and expense per employee) and overall asset performance (i.e., return on assets).

The COVs are grouped according to two categories—“All-Dealers Average” and “Best-of-Class Average.” The all-dealers average is the average ATD 20 Group and Academy results for each critical variable. The best-of-class average does not represent all ATD 20 Group and Academy dealerships, but rather the average of the top-performing 20 percent of ATD 20 Group and Academy dealerships in each of seven categories. The first category, for example, comprises COVs 1 through 13. Best-of-class dealerships in one category may or may not be the same best-of-class dealerships in another category.

The COVs are best used to compare your dealership results against average and best-of-class results. We have provided the formulas used in our calculations; use them to calculate your dealership's actual results.

Operational activities performance drives financial results. One number by itself does not mean anything—high total dealership absorption, for example, does not directly indicate a strong cash flow. But a careful examination of factors influencing the COV, comparison of our averages against actual dealership results, and designing and consistently implementing a tracking system should lead to improved department and dealership results.

When comparing your dealership's results, start with all-dealers average. Understand what each COV indi-

cates and, most importantly, what affects the COV. For example, if you are comparing parts inventory turns, there are several factors to consider, such as OEM vendor-managed inventory programs, dealership distance from the parts distribution center, stock order frequency and DMS computer settings.

Recognize what the COV does *not* indicate. It does not, for example, indicate parts inventory fill rate or parts inventory aging. Consider how employee education, DMS utilization and process measures and improvement affect the COV. Determine and measure your overall penetration of customer wallet share. And know that achieving all-dealers average performance brings your dealership only to the average. Continually strive to attain best-of-class average and beyond.

Finally, understand your market. For example, your dealership may have a significant volume of wholesale used-truck sales where the used truck has a limited cycle time. The wholesale gross profit percentage typically would be lower than the all-dealers average or best-of-class average used-truck gross percentage of sales. Because of the quick cycle time and low inventory, however, the net return on used inventory could be very high. It is vital that you understand the COVs, your dealership market and how your dealership strategy, customer service and operating processes affect a COV result.

Key COVs are:	All-Dealers Average	Best-of-Class Average
<i>Return on assets</i>		
2016	5.31%	8.52%
2015	7.91%	9.70%
2014	9.35%	13.30%
<i>Total dealership net profit % sales</i>		
2016	2.44%	5.26%
2015	3.52%	7.07%
2014	3.97%	7.33%
<i>Total dealership absorption</i>		
2016	91.13%	108.20%
2015	94.30%	108.48%
2014	96.05%	114.62%
<i>Parts and service receivables % past due</i>		
2016	21.76%	16.42%
2015	29.08%	32.12%
2014	23.95%	33.93%
<i>Warranty receivables % sales</i>		
2016	101.59%	99.95%
2015	109.96%	118.30%
2014	116.05%	114.17%

The operating guides suggested by ATD for selected COVs are as follows. Performance guides can also be found in the 2017 ATD Slide Guide.

- ▶ **Return on assets:** return percentage sufficient to justify operations: 17-25%
- ▶ **Cash months' supply:** 1 month (3 months recommended)
- ▶ **Parts and service receivables as a percentage of average month customer parts and customer service sales:** 85%
  - Past due <15%
- ▶ **Warranty receivables as a percentage of average month warranty parts and warranty service sales:** 100%
  - Past due <10%
- ▶ **Used truck inventory turns:** 6 times per year
  - Over 120 days 0%
- ▶ **Service total labor gross % total labor sales:** 73%
- ▶ **Parts sales per parts employee:** \$48,000 to \$60,000+
- ▶ **Parts inventory turns:** 6-8 times per year
- ▶ **Parts inventory performance:** 168% minimum
- ▶ **Total dealership absorption:** 115%



1. Net Profit After Bonuses ÷ Total Dealership Sales
2. Annualized Net Profit After Bonuses ÷ (Total Assets + LIFO)
3. Annualized Net Profit After Bonuses ÷ (Net Worth + LIFO)
4. (Net Worth + LIFO) ÷ (Total Assets + LIFO)
5. Total Dealership Sales ÷ Total Dealership Employees
6. Total Dealership Gross Profit ÷ Total Dealership Employees
7. Total Dealership Expenses ÷ Total Employees
8. Total Dealership Expenses ÷ Total Dealership Sales
9. Total Dealership Expenses ÷ Total Dealership Gross Profit
10. (Total Cash - Customer Deposits) ÷ Average Month Total Dealership Expenses
11. Parts, Service and Body Shop Receivables ÷ (Parts Sales + Service Sales + Body Shop Sales (excluding warranty and internal sales))
12. Parts, Service and Body Shop Receivables Over 30 Days ÷ (Parts Sales + Service Sales + Body Shop Sales (excluding warranty and internal sales))
13. Warranty Receivables ÷ (Parts Warranty Sales + Service Warranty Sales + Body Shop Warranty Sales)
14. New Truck Sales ÷ New Truck Units Sold
15. New Truck Gross Profit ÷ New Truck Units Sold
16. New Truck Gross Profit ÷ New Truck Sales
17. New Truck Finance, Insurance, and Net Other Income ÷ New Truck Units Sold
18. New Truck Inventory ÷ New Truck Units in Inventory
19. New Truck Cost of Sales (New Truck Sales - New Truck Gross Profit) Annualized ÷ New Truck Inventory
20. New Truck Operating Profit (New Truck Gross Profit - Total New Truck Expenses) Annualized ÷ New Truck Inventory.  
Note: Departmental expense includes a percent of unapplied expense; the proration of the unapplied is based on the percentage of total expense each department incurs.  
Therefore, New Truck Expense = Total New Truck Expense + ((Total New Truck Expense ÷ (Total Dealership Expense - Unapplied Expense)) x Unapplied Expense).
21. New Truck Sales ÷ number of New Truck Employees
22. New Truck Department Operating Income (New Truck Total Gross Profit + New Truck Total F&I Income) ÷ New Truck Employees
23. Used Truck Sales ÷ Used Truck Units Sold
24. Used Truck Gross Profit ÷ Used Truck Units Sold
25. Used Truck Gross Profit ÷ Used Truck Sales
26. Used Truck Finance, Insurance, and Net Other Income ÷ Used Truck Units Sold
27. Used Truck Inventory ÷ Used Truck Units in Inventory
28. Used Truck Cost of Sales (Used Truck Sales - Used Truck Gross Profit) Annualized ÷ Used Truck Inventory
29. Used Truck Operating Profit (Used Truck Gross Profit - Total Used Truck Expenses) Annualized ÷ Used Truck Inventory.  
Note: Departmental expense includes a percent of unapplied expense; the proration of the unapplied is based on the percentage of total expense each department incurs.  
Therefore, Used Truck Expense = Total Used Truck Expense + ((Total Used Truck Expense ÷ (Total Dealership Expense - Unapplied Expense)) x Unapplied Expense).
30. Used Truck Sales ÷ Used Truck Employees
31. Used Truck Department Operating Income (Used Truck Total Gross Profit + Used Truck Total F&I Income) ÷ Used Truck Employees
32. Service Mechanical Customer Labor Sales ÷ Service Mechanical Total Labor Sales
33. Service Customer Mechanical Labor Gross ÷ Customer Mechanical Labor Sales
34. Service Warranty Mechanical Labor Gross ÷ Warranty Mechanical Labor Sales
35. Service Internal Mechanical Labor Gross ÷ Internal Mechanical Labor Sales
36. Total Service Mechanical Sales ÷ Service Mechanical Employees
37. Total Service Mechanical Gross Profit ÷ Service Mechanical Employees
38. Service Mechanical Gross Profit ÷ Total Dealership Expense
39. Parts Gross Profit ÷ Parts Sales
40. Total Parts Expense ÷ Total Parts Sales
41. Customer Mechanical Parts Gross Profit ÷ Customer Mechanical Parts Sales
42. Warranty Mechanical Parts Gross Profit ÷ Warranty Mechanical Parts Sales
43. Internal Mechanical Parts Gross Profit ÷ Internal Mechanical Parts Sales
44. Parts Counter Retail Gross Profit ÷ Parts Counter Retail Sales
45. Parts Wholesale Gross Profit ÷ Parts Wholesale Sales
46. Parts Cost of Sales (Parts Sales - Parts Gross) Annualized ÷ Parts Inventory
47. Parts Operating Profit (Parts Gross Profit - Total Parts Expense) ÷ Parts Inventory. For proration of unapplied expenses see Line 29.
48. Parts Cost of Sales (Parts Sales - Parts Gross) Annualized ÷ Parts Inventory x Parts Gross Profit ÷ Parts Sales
49. Total Parts Sales ÷ Parts Employees
50. Total Parts Gross Profit ÷ Parts Employees
51. Parts Gross Profit ÷ Total Dealership Expense
52. Body Shop Customer Labor Sales ÷ Body Shop Total Labor Sales
53. Body Shop Customer Labor Gross ÷ Body Shop Customer Labor Sales
54. Body Shop Warranty Labor Gross ÷ Body Shop Warranty Labor Sales
55. Body Shop Internal Labor Gross ÷ Body Shop Internal Labor Sales
56. Total Body Shop Sales ÷ Body Shop Employees
57. Total Body Shop Gross Profit ÷ Body Shop Employees
58. Body Shop Gross Profit ÷ Total Dealership Expense
59. (Parts Gross Profit + Service Gross Profit + Body Shop Gross Profit) ÷ Total Dealership Expense
60. (Used Truck Gross Profit + Parts Gross Profit + Service Gross Profit + Body Shop Gross Profit) ÷ Total Dealership Expense

ATD Critical Operating Variables	2014		2015		2016	
	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average
1 Total Dealership Net Profit % Sales	3.97%	7.33%	3.52%	7.07%	2.44%	5.26%
2 Return on Assets	9.35%	13.30%	7.91%	9.70%	5.31%	8.52%
3 Return on Net Worth	42.31%	51.33%	28.09%	31.64%	25.47%	29.97%
4 Percent Assets Owned	22.09%	25.91%	28.15%	30.67%	20.83%	28.42%
5 Total Dealership Sales per Employee	60,108	59,828	75,284	59,396	58,347	47,164
6 Total Dealership Gross per Employee	9,961	11,350	11,413	11,013	9,016	9,379
7 Total Dealership Expense per Employee	7,620	7,278	8,802	7,311	7,526	6,961
8 Total Dealership Expense % Sales	12.68%	12.16%	11.69%	12.31%	12.90%	14.76%
9 Total Dealership Expense % Gross	76.50%	64.12%	77.12%	66.38%	83.47%	74.22%
10 Cash Months' Supply	2.27	2.41	1.68	2.11	2.05	2.12
11 Parts & Service Receivables % Sales	103.29%	121.17%	98.01%	104.72%	99.62%	90.38%
12 Parts & Service Receivables % Past Due	23.95%	33.93%	29.08%	32.12%	21.76%	16.42%
13 Warranty Receivables % Sales	116.05%	114.17%	109.96%	118.30%	101.59%	99.95%
14 New Truck Sales per New Unit Sold	113,308	114,489	115,025	116,757	99,294	83,047
15 New Truck Gross per New Unit Sold	5,961	5,992	6,014	7,114	4,962	4,735
16 New Truck Gross % Sales	5.25%	5.23%	5.21%	5.99%	4.99%	5.70%
17 New F&I Income per New Truck Sold	673	721	809	1,367	618	652
18 New Truck Inventory per Unit	108,586	108,551	108,966	105,549	106,709	93,210
19 New Truck Inventory Turns	3.5	3.3	3.2	3.1	3.8	5.2
20 Net Return on New Inventory	3.34%	7.83%	3.70%	9.31%	1.79%	11.93%
21 New Truck Sales per Employee	417,134	813,457	538,802	957,152	405,976	619,740
22 New Truck Gross per Employee	21,865	42,506	26,685	50,931	20,275	35,385
23 Used Truck Sales per Used Unit Sold	44,101	47,272	45,578	44,866	41,631	37,748
24 Used Truck Gross per Used Unit Sold	3,262	4,582	2,693	4,098	1,512	3,696
25 Used Truck Gross % Sales	7.57%	9.71%	5.86%	8.75%	3.63%	9.79%
26 Used F&I Income per Used Truck Sold	324	490	605	471	502	691
27 Used Truck Inventory per Unit	43,328	37,235	47,430	35,242	40,925	27,234
28 Used Truck Inventory Turns	3.0	3.3	2.6	5.2	2.5	4.2
29 Net Return on Used Inventory	-2.46%	17.72%	-8.51%	21.69%	-17.73%	22.02%
30 Used Truck Sales per Employee	194,368	302,560	164,770	187,874	146,074	169,558
31 Used Truck Gross per Employee	15,816	32,847	8,720	15,885	5,049	16,975
32 Service Customer Labor Sales % Total Labor Sales	67.54%	63.27%	66.65%	63.04%	69.21%	73.53%
33 Service Customer Labor Gross % Sales	72.66%	72.62%	73.22%	75.24%	72.96%	74.47%
34 Service Warranty Labor Gross % Sales	69.66%	70.75%	71.11%	73.14%	71.01%	71.85%
35 Service Internal Labor Gross % Sales	70.25%	73.19%	71.32%	75.52%	69.51%	68.92%
36 Service Sales per Employee	10,095	11,898	11,579	13,160	9,701	10,422
37 Service Gross per Employee	6,805	8,168	7,887	9,065	6,552	7,251
38 Service Absorption	40.11%	47.71%	39.10%	44.01%	39.22%	43.37%
39 Parts Gross % Sales	26.88%	27.95%	26.86%	27.31%	26.49%	27.28%
40 Parts Gross % to Break Even	18.09%	14.83%	17.99%	13.63%	19.02%	14.83%
41 Parts Customer RO Gross % Sales	27.64%	27.33%	28.40%	29.26%	27.61%	28.13%
42 Parts Warranty RO Gross % Sales	20.23%	20.13%	20.73%	21.84%	21.73%	21.48%
43 Parts Internal RO Gross % Sales	23.11%	25.73%	23.13%	24.54%	23.58%	23.67%
44 Parts Counter Retail Gross % Sales	25.29%	26.42%	25.40%	26.13%	25.15%	26.38%
45 Parts Wholesale Gross % Sales	21.02%	22.32%	19.65%	23.63%	20.23%	19.63%
46 Parts Inventory Turns	5.4	6.7	4.9	5.4	4.9	5.5
47 Net Return on Parts Inventory	62.40%	118.29%	57.58%	101.61%	49.50%	95.57%
48 Parts Inventory Performance	144.71%	186.00%	132.78%	148.16%	130.52%	150.19%
49 Parts Sales per Employee	51,376	68,016	60,020	74,516	47,815	58,538
50 Parts Gross per Employee	13,811	19,011	16,120	20,348	12,665	15,968
51 Parts Absorption	53.22%	65.11%	52.73%	61.09%	49.38%	53.44%
52 Body Shop Customer Labor Sales % Total Labor Sales	82.25%	82.93%	80.55%	66.00%	81.21%	87.03%
53 Body Shop Customer Labor Gross % Sales	70.14%	69.72%	69.59%	67.78%	69.02%	68.39%
54 Body Shop Warranty Labor Gross % Sales	74.56%	66.66%	74.94%	74.02%	78.95%	76.93%
55 Body Shop Internal Labor Gross % Sales	64.65%	68.56%	67.85%	69.86%	67.66%	67.36%
56 Body Shop Sales per Employee	9,180	12,405	9,040	12,125	9,272	12,048
57 Body Shop Gross per Employee	5,837	8,170	5,665	7,623	5,778	7,544
58 Body Shop Absorption	2.71%	4.81%	2.47%	3.54%	2.53%	4.43%
59 Total Dealership Absorption*	96.05%	114.62%	94.30%	108.48%	91.13%	108.20%
60 Prescription Absorption	100.87%	117.15%	98.32%	111.79%	93.15%	109.65%

\* Title changed to avoid confusion with OEM measures.

## Acknowledgments

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NADA appreciates the contribution of

Greg Fenn and Keith Ely, KEA Advisors,  
in preparing this publication.

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