

Mohawk Honda Service Department

Lindsey Haraden N327

C. Facility Utilization: 92.64 %

FACILITY POTENTIAL	
Number of Bays	25
	x
Number of Days	26
	x
Number of Hours	10
	x
Effective Labor Rate	91.53
	equals
FACILITY POTENTIAL	\$ 594,945

FACILITY UTILIZATION	
Total Labor Sales	\$ 551,131
	÷
Facility Potential	\$ 594,945
	equals
FACILITY UTILIZATION	92.64%

D. Productivity: Tech Proficiency: 83.44%

NADA ACTUAL SERVICE ANALYSIS page B-1

Performance

	Labor Sales / Month		Hourly Labor Rate	=	Hours Billed
Customer Car*	\$ 255,651	÷	115.00	=	2223.1
Customer Truck*	\$ 40,526	÷	115.00	=	352.4
Customer Other*	\$ -	÷		=	0.00
Warranty	\$ 70,551	÷	115.00	=	613.5
Internal	\$ 184,403	÷	125.00	=	1475.2
New Vehicle Prep	\$ -	÷		=	0.00
Total	\$ 551,131				4664.2

POTENTIAL

$$\begin{array}{l}
 \text{\$ } 551,131 \div 4664.16 = \text{\$ } 118.16 \\
 \text{Total labor sales for month} \quad \text{Total hours billed} \quad \text{Effective Labor Rate} \\
 21.50 \times 10 \times 26 = 5,590.0 \\
 \text{\# Service mechanical technicians} \quad \text{\# Hours/Day} \quad \text{Working Days/Month} \\
 5,590.0 \times \text{\$ } 118.16 = \text{\$ } 660,531 \\
 \text{Clock Hours Available} \quad \text{Effective Labor Rate} \quad \text{Labor sales potential}
 \end{array}$$

How proficient are your technicians ?

$$\begin{array}{l}
 4,664.2 \div 5,590.00 = 83.44\% \\
 \text{Hours Produced} \quad \text{Hours Available} \quad \text{Tech Proficiency}
 \end{array}$$

E. Production Method: Conventional

F. Analyze Cost of Labor:

Service Department Sales And Gross (Labor Only)

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 255,651	\$ 202,776	79.32%	46.39%
Customer express	\$ 40,526	\$ 31,021	76.55%	7.35%
Customer Other			0%	0.00%
Warranty	\$ 70,551	\$ 59,752	84.69%	12.80%
Warranty Other			0%	0.00%
Internal	\$ 184,403	\$ 155,454	84.30%	33.46%
NVI / Road Ready			0%	0.00%
Adj. Cost Of Labor		\$ (9,034)	0%	0.00%
Total	\$ 551,131	\$ 439,969	79.83%	100.00%

Category	Sales	Gross	Gross as % of Sales	%Sales Contribution
Customer Car	\$ 121,041	\$ 17,224	14.23%	21.96%
Customer express	\$ 116,577	\$ 2,481	2.13%	21.15%
Customer Other	\$ 112,112	\$ (12,263)	-10.94%	20.34%

G. Changes in Expense Structure:

Service Department Profit Centering

Expense Category	Dollar Amount	% of Gross	Profile
Department Gross	\$ 394,003		
Variable Expense	\$ -	0.00%	
Selling Expense	\$ -	0.00%	
Personnel Expense	\$ 201,844	51.23%	
Semi-Fixed Expense	\$ 107,689	27.33%	

Fixed Expense	\$ 35,280	8.95%	
Unallocated Expense		0.00%	
Dealer's Salary	\$ 7,360	1.87%	
Total Expenses	\$ 352,173	89.38%	
Net Profit	\$ 41,830	10.62%	

The Picture

Customer Pay Gross Profit %	Gross
Total Service Dept. G.P. %	79.83%
Parts / Labor Ratio (Cust. Pay Only)	0.27
Total Service Dept. Expenses	\$ 352,173