

2012 Automotive Industry Guidelines

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
New Vehicle			
New Vehicle Supply in days	109.3	59.1	57.7
Number of units older than 90 days	37.5	28.3	26.7
Units per salesperson (New) per month	10.8	10.4	10.3
Gross Cars - before F&I	\$ 1,100	\$ 1,363	\$ 2,680
Gross Trucks - before F&I	\$ 1,238	\$ 1,363	\$ 2,722
Sales Ratio: new to used	1.6:1	1:1.7	1:2.1
Gross Productivity			
New Vehicle			
Gross profit as a % of sales	5.6%	7.1%	7.6%
Net profit as a % of sales	0.3%	1.7%	1.9%
F&I penetration Rate%			
Finance contract (exc retail lease)	68.6%	72.9%	60.7%
Finance contract (inc retail lease)	72.9%	69.1%	72.5%
Insurance	23.6%	24.6%	8.0%
Extended Service	50.8%	44.6%	16.2%
Finance Gross per financed veh.	\$ 697	\$ 530	\$ 729
Insurance Gross per insured veh	\$ 477	\$ 330	\$ 399
Ext Service Gross per contract	\$ 821	\$ 715	\$ 692
Expense Control Structure Guidelines			
New Vehicle			
Total expense as a % of vehicle G/P	93.4%	89.0%	88.1%
Compensation as a % of veh GP			
Salesperson	24.1%	19.8%	17.7%
Supervision	21.5%	15.9%	17.0%
F&I comp as % of F&I income	23.0%	27.5%	22.1%
Personnel Exp as a % of G/P	42.3%	44.4%	39.9%
Advertising as a % of Veh G/P	19.6%	15.4%	11.4%
Advertising per retail unit sold	\$ 321	\$ 277	\$ 309
Floor plan int as a % of Veh G/P	-7.3%	-6.9%	-6.4%

Performance Measures			
Key Indicator Ratios			
Current Ratio	1.11	1.51	1.44
Debt to Equity Ratio	3.10	1.08	2.74

Sales - Merchandising & Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
Used Vehicle			
Used Vehicle supply (in days)	45.8	53.7	52.0
Number of units older than 90 days	18.5	25.0	20.0
Units per salesperson (N&U) per month	14.2	12.5	16.4
Gross Cars - Before F&I	\$ 1,526	\$ 1,962	\$ 2,249
Gross Trucks - before F&I	\$ 1,814	\$ 1,755	\$ 2,057
Gross Productivity			
Used Vehicle			
Gross profit as a % of sales	9.9%	10.9%	7.2%
Net profit as a % of sales	2.6%	3.3%	2.1%
F&I Penetration Rate %			
Finance Income (excl retail lease)	53.4%	51.7%	58.1%
Insurance	24.5%	21.1%	13.4%
Extended Service	43.1%	40.6%	30.6%
Finance Gross per financed vehicle	\$ 626	\$ 631	\$ 652
Insurance Gross per insured vehicle	\$ 406	\$ 333	\$ 410
Ext Service Gross per contract	\$ 674	\$ 901	\$ 780
Expense Control Structure Guidelines			
Used Vehicle			
Total Expense as a % of Total G/P	92.3%	84.3%	83.1%
Compensation as a % of veh GP			
Salesperson	25.1%	20.1%	24.0%
Supervision	17.9%	14.7%	14.0%
F&I comp as % of F&I income	22.5%	26.6%	22.6%
Personel Exp as a % of G/P	38.0%	35.0%	42.2%
Advertising as a % of Veh G/P	12.7%	11.6%	15.6%
Advertising per retail unit sold	\$ 280	\$ 262	\$ 327
Floor plan int as a % of Veh G/P	1.4%	2.0%	1.2%
Reconditioning - Cars	\$ 561	\$ 682	\$ 836
Reconditioning - Trucks	\$ 656	\$ 710	\$ 725

Performance Measures			
Key Indicator Ratios			
Return on Equity (ROE)	30.9%	38.6%	36.0%
Return on Assets (ROA)	9.0%	11.8%	10.3%



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Service Dept.			
Flat Hrs/RO	1.5	1.8	1.9
Technician efficiency	89.7%	98.8%	97.4%
RO's/Day/Svc Advisor - Cust Pay, Warr, Int	14.0	15.1	14.9
Technicians per Service Advisor	4.3	4.1	4.3
Labor Gross per Tech (per month)	\$ 8,952	\$ 11,683	\$ 14,282
Labor Gross per Advisor (per month)	\$ 36,067	\$ 40,802	\$ 59,657
Gross Productivity			
Service Dept.			
G/P as a % of sales			
Customer Pay	72.6%	75.4%	78.1%
Warranty	71.3%	78.4%	80.2%
Internal	71.3%	72.4%	75.5%
Sublet Repairs	8.1%	14.1%	17.9%
Total Department	66.7%	69.5%	71.5%
Net Profit as a % of Sales	17.4%	19.5%	19.2%
Expense Control Structure Guidelines			
Service Dept.			
Total expense as a % of Total GP	79.8%	82.1%	77.9%
Personnel Exp as a % of G/P	41.9%	40.2%	40.9%
Adv & Training as a % of G/P	7.2%	3.6%	3.8%
Tools, Supp, Freight as a % of G/P	1.5%	0.9%	1.2%

Fixed Expenses - Percent of Total Gross	Domestic Dealer	Import Dealer	Highline Dealer
Office Staff to Total Dealership	1:10	1:10	1:12
Total Expenses as a % of Total Gross	92.0%	84.1%	81.6%
Payroll Taxes as a % of Total Gross	4.8%	4.4%	4.2%
Owners Compensation as a % of Sales	0.7%	0.7%	0.8%
Rent Factor			
Percent of Total Gross	7.7%	8.4%	10.0%

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
Parts Dept.			
Level of Service	87.4%	90.7%	89.7%
Stock Order Performance	82.4%	91.4%	88.7%
Parts \$ sold per Labor \$ sold			
Cust Repair	\$ 1.0	\$ 0.8	\$ 0.8
Warranty	\$ 1.5	\$ 1.4	\$ 1.4
Internal	\$ 1.0	\$ 0.8	\$ 1.0
Dept Gross per Employee (per month)	\$ 14,696	\$ 17,191	\$ 26,101
Gross Productivity			
Parts Dept.			
G/P as a % of Sales			
Customer Pay	37.4%	39.4%	42.2%
Warranty	33.3%	31.9%	35.1%
Internal	26.9%	30.2%	29.4%
Counter Retail	34.3%	33.4%	36.9%
Wholesale	19.0%	21.1%	25.2%
Customer Pay - Body Shop	32.3%	N/A	32.4%
Warranty - Body Shop	30.8%	N/A	N/A
Total Dept GP%	32.6%	32.5%	34.0%
Net profit as a % of Sales	11.4%	12.7%	13.7%
Expense Control Structure Guidelines			
Parts Dept.			
Total Exp as % of Total G/P	51.9%	66.2%	59.3%
Personnel Exp as a % of G/P	32.3%	33.2%	28.8%
Advertising & Training as a % of G/P	3.0%	1.9%	1.5%
Tools, Supp, Freight as a % of G/P	1.1%	1.1%	1.1%

Fixed Expenses - Percent of Total Gross	Domestic Dealer	Import Dealer	Highline Dealer
Absorption %	78.4%	81.7%	90.7%
Net Earnings			
% of Total Sales	3.1%	3.5%	4.1%
% of Total Gross	28.3%	24.9%	31.8%
Personnel Expense as a % of Gross profit	44.2%	42.9%	40.9%
Office Compensation as a % of Total Gross	4.2%	4.4%	3.5%