



2013 Automotive Industry Guidelines

Sales - Merchandising and Staffing Guidelines				Domestic Dealer	Import Dealer	Highline Dealer
New Vehicle						
New Vehicle Supply in days		105.4	65.3	62.7		
Number of units older than 90 days		34.5	22.5	25.3		
Units per salesperson (New) per month		9.3	10.7	8.7		
Gross Cars - before F&I	\$	1,185	\$ 1,332	\$ 2,258		
Gross Trucks - before F&I	\$	1,358	\$ 1,596	\$ 2,314		
Sales Ratio: new to used		1.6:1	1:2	1:2.1		
Gross Productivity						
New Vehicle						
Gross profit as a % of sales		7.2%	6.9%	6.0%		
Net profit as a % of sales		1.2%	1.8%	2.4%		
F&I penetration Rate%						
Finance contract (exc retail lease)		71.3%	76.5%	61.0%		
Finance contract (inc retail lease)		74.1%	72.8%	68.0%		
Insurance		20.1%	36.1%	9.7%		
Extended Service		43.3%	54.1%	26.4%		
Finance Gross per financed veh.	\$	875	\$ 546	\$ 962		
Insurance Gross per insured veh	\$	410	\$ 232	\$ 513		
Ext Service Gross per contract	\$	907	\$ 726	\$ 638		
Expense Control Structure Guidelines						
New Vehicle						
Total expense as a % of vehicle G/P		108.3%	92.7%	86.5%		
Compensation as a % of veh GP						
Salesperson		21.7%	20.8%	22.2%		
Supervision		18.2%	16.7%	19.4%		
F&I comp as % of F&I income		20.7%	28.4%	21.1%		
Personnel Exp as a % of G/P		48.4%	51.4%	43.5%		
Advertising as a % of Veh G/P		17.5%	14.6%	11.8%		
Advertising per retail unit sold	\$	371	\$ 280	\$ 347		
Floor plan int as a % of Veh G/P		-9.7%	-6.0%	-7.2%		
Performance Measures						
Key Indicator Ratios						
Current Ratio		1.28	1.19	1.22		
Debt to Equity Ratio		3.67	2.70	2.50		

Sales - Merchandising & Staffing Guidelines				Domestic Dealer	Import Dealer	Highline Dealer
Used Vehicle						
Used Vehicle supply (in days)		51.2	75.3	47.6		
Number of units older than 90 days		10.3	15.7	14.0		
Units per salesperson (N&U) per month		33.6	11.7	10.8		
Gross Cars - Before F&I	\$	1,495	\$ 1,647	\$ 2,647		
Gross Trucks - before F&I	\$	2,015	\$ 1,572	\$ 2,203		
Gross Productivity						
Used Vehicle						
Gross profit as a % of sales		11.0%	12.3%	8.4%		
Net profit as a % of sales		3.8%	2.7%	1.5%		
F&I Penetration Rate %						
Finance Income (excl retail lease)		58.6%	56.9%	56.2%		
Insurance		19.9%	33.2%	11.7%		
Extended Service		41.6%	46.3%	27.8%		
Finance Gross per financed vehicle	\$	762	\$ 568	\$ 801		
Insurance Gross per insured vehicle	\$	387	\$ 295	\$ 504		
Ext Service Gross per contract	\$	830	\$ 962	\$ 828		
Expense Control Structure Guidelines						
Used Vehicle						
Total Expense as a % of Total G/P		87.0%	87.7%	86.8%		
Compensation as a % of veh GP						
Salesperson		24.5%	20.1%	21.1%		
Supervision		14.5%	15.9%	14.9%		
F&I comp as % of F&I income		17.7%	15.8%	24.6%		
Personel Exp as a % of G/P		41.4%	42.0%	45.3%		
Advertising as a % of Veh G/P		11.7%	9.6%	8.3%		
Advertising per retail unit sold	\$	299	\$ 183	\$ 236		
Floor plan int as a % of Veh G/P		1.2%	1.8%	0.8%		
Reconditioning - Cars	\$	500	\$ 910	\$ 1,041		
Reconditioning - Trucks	\$	754	\$ 678	\$ 718		
Performance Measures						
Key Indicator Ratios						
Return on Equity (ROE)		52.4%	37.2%	46.0%		
Return on Assets (ROA)		11.6%	11.0%	15.0%		



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Service Dept.			
Flat Hrs/RO	1.4	1.6	1.9
Technician efficiency	91.7%	102.5%	107.1%
RO's/Day/Svc Advisor - Cust Pay, Warr, Int	11.1	11.2	12.3
Technicians per Service Advisor	4.1	3.6	3.9
Labor Gross per Tech (per month)	\$ 8,857	\$ 11,169	\$ 15,619
Labor Gross per Advisor (per month)	\$ 33,181	\$ 36,102	\$ 53,709
Gross Productivity			
Service Dept.			
G/P as a % of sales			
Customer Pay	72.6%	76.8%	78.1%
Warranty	72.2%	78.4%	79.0%
Internal	69.2%	74.1%	74.7%
Sublet Repairs	5.6%	13.3%	15.6%
Total Department	65.4%	71.3%	65.0%
Net Profit as a % of Sales	15.4%	17.2%	21.9%
Expense Control Structure Guidelines			
Service Dept.			
Total expense as a % of Total GP	84.2%	77.0%	74.2%
Personnel Exp as a % of G/P	44.3%	42.2%	36.0%
Adv & Training as a % of G/P	6.1%	5.1%	3.5%
Tools, Supp, Freight as a % of G/P	1.1%	0.0%	-0.7%

Fixed Expenses - Percent of Total Gross	Domestic Dealer	Import Dealer	Highline Dealer
Office Staff to Total Dealership	1:11	1:9.8	1:12
Total Expenses as a % of Total Gross	81.9%	76.3%	72.3%
Payroll Taxes as a % of Total Gross	4.3%	4.3%	4.0%
Owners Compensation as a % of Sales	0.6%	0.5%	0.8%
Rent Factor			
Percent of Total Gross	8.7%	8.8%	8.2%

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
Parts Dept.			
Level of Service	88.5%	90.2%	89.2%
Stock Order Performance	83.0%	91.0%	88.6%
Parts \$ sold per Labor \$ sold			
Cust Repair	\$ 1.0	\$ 0.8	\$ 0.7
Warranty	\$ 1.2	\$ 1.2	\$ 1.3
Internal	\$ 0.9	\$ 1.0	\$ 0.8
Dept Gross per Employee (per month)	\$ 15,689	\$ 18,877	\$ 25,904
Gross Productivity			
Parts Dept.			
G/P as a % of Sales			
Customer Pay	38.4%	40.0%	43.1%
Warranty	32.3%	32.0%	33.9%
Internal	26.6%	24.9%	31.6%
Counter Retail	34.1%	31.5%	37.3%
Wholesale	18.0%	18.4%	24.9%
Customer Pay - Body Shop	32.4%	34.8%	19.7%
Warranty - Body Shop	22.2%	N/A	#DIV/0!
Total Dept GP%	32.2%	31.7%	34.3%
Net profit as a % of Sales	15.1%	15.4%	16.2%
Expense Control Structure Guidelines			
Parts Dept.			
Total Exp as % of Total G/P	62.5%	61.4%	61.3%
Personnel Exp as a % of G/P	39.2%	31.8%	32.4%
Advertising & Training as a % of G/P	3.2%	2.8%	2.0%
Tools, Supp, Freight as a % of G/P	1.4%	1.3%	1.3%

Fixed Expenses - Percent of Total Gross	Domestic Dealer	Import Dealer	Highline Dealer
Absorption %	85.0%	84.4%	91.2%
Net Earnings			
% of Total Sales	3.8%	3.3%	4.5%
% of Total Gross	30.4%	24.7%	37.2%
Personnel Expense as a % of Gross profit	40.1%	42.9%	41.6%
Office Compensation as a % of Total Gross	3.3%	5.9%	4.6%