

## 2019 Automotive Industry Guidelines

Sales - Merchandising and Staffing Guidelines				Domestic Dealer	Import Dealer	Highline Dealer
New Vehicle						
New Vehicle Supply in days				96	72.7	71.2
Units per salesperson ( New)				12	10.7	11.0
Gross Cars - before F&I	\$	581	\$	879	\$	1,772
Gross Trucks - before F&I	\$	1,356	\$	1,193	\$	2,382
Sales Ratio: new to every 1 used		1.32		1.62		1.51
Departmental G/P as a % of Total Dealership G/P		30.2%		29.1%		26.5%
Gross Productivity						
New Vehicle						
Gross profit as a % of sales				4.6%	4.2%	4.0%
Net profit as a % of sales				1.0%	-0.2%	0.8%
F&I penetration Rate%						
Finance contract (inc retail lease)				76.4%	82.0%	73.7%
Extended Service				42.2%	42.5%	33.6%
Finance & Insurance Gross per financed veh.	\$	736	\$	757	\$	655
Ext. Service Gross per contract	\$	1,259	\$	993	\$	1,056
All New Other Income per new vehicle sold	\$	1,256	\$	1,158	\$	1,800
Expense Control Structure Guidelines						
New Vehicle						
Total expense as a % of vehicle G/P				84.7%	174.7%	114.7%
Compensation as a % of veh GP						
Salesperson				24.6%	30.7%	25.8%
Supervision				15.9%	24.0%	18.6%
F&I comp as % of F&I income				21.9%	18.4%	20.4%
Personnel Exp. as a % of G/P				41.8%	62.8%	41.2%
Gross Advertising Exp as a % of veh. G/P				28.3%	30.8%	18.4%
Gross Advertising Reimbursement as a % of veh. G/P				11.1%	†	†
Net Advertising per retail unit sold	\$	365	\$	360	\$	350
Gross Floor plan int. as a % of G/P				36.0%	14.0%	8.8%
Gross Floor plan int. reimbursement as a % of veh. G/P				13.7%	31.4%	†
Policy Exp as a % of veh. G/P	†				1.8%	1.5%
Performance Measures						
Key Indicator Ratios						
Current Ratio				1.3	1.4	1.5
Debt to Equity Ratio				3.7	3.5	2.7

  

Sales - Merchandising & Staffing Guidelines				Domestic Dealer	Import Dealer	Highline Dealer
Used Vehicle						
Used Vehicle supply (in days)				61	57	62.7
Units per salesperson ( N&U )				12	12	11.3
Gross Cars - Before F&I	\$	1,589	\$	1,828	\$	1,818
Gross Trucks - before F&I	\$	1,648	†	†	\$	2,090
Departmental G/P as a % of Total Dealership G/P		13.7%		16.3%		15.0%
Gross Productivity						
Used Vehicle						
Gross profit as a % of sales				8.3%	9.4%	7.2%
Net profit as a % of sales				1.9%	2.1%	0.0%
F&I Penetration Rate %						
Finance contracts (includes retail lease)				63.3%	69.4%	57.4%
Extended Service				45.1%	44.9%	28.8%
Finance & Insurance Gross per financed vehicle	\$	770	\$	909	\$	825
Ext Service Gross per contract	\$	944	\$	1,265	\$	1,712
All Used Other Income per used vehicle sold		†		†		†
Expense Control Structure Guidelines						
Used Vehicle						
Total Expense as a % of Total G/P				63.8%	77.4%	100.1%
Compensation as a % of veh GP						
Salesperson				28.6%	27.6%	27.2%
Supervision				20.2%	15.2%	22.4%
F&I comp as % of F&I income				22.6%	19.4%	19.3%
Personel Exp as a % of G/P				44.3%	42.7%	46.5%
Gross Advertising as a % of Veh G/P				10.3%	14.0%	10.6%
Gross Advertising Reimbursement as a % of veh. G/P				†	†	†
Net Advertising per retail unit sold	\$	188	\$	324	\$	194
Gross Floor plan int as a % of Veh G/P				†	1.8%	2.8%
Gross Floor plan int. reimbursement as a % of veh. G/P				†	†	†
Policy Exp as a % of veh. G/P				1.9%	2.2%	3.5%
Reconditioning - Cars & Trucks	\$	801	\$	1,114	\$	1,538
Performance Measures						
Key Indicator Ratios						
Return on Equity (ROE)				32.2%	39.4%	39.8%
Return on Assets (ROA)				7.6%	9.4%	10.7%

† - Too few data points to arrive at a meaningful average

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Service Dept.			
Flat Hrs/RO	1.3	1.3	1.6
RO's/Day/Svc Advisor - Cust Pay, Warr, Int.	15.0	16	14.1
Technicians per Service Advisor	3.7	3.7	3.6
Labor Gross per Tech	\$ 10,186	\$ 12,920	\$ 15,838
Labor Gross per Advisor	\$ 38,319	\$ 44,839	\$ 55,061
Departmental G/P as a % of Total Dealership G/P	23.1%	30.3%	39.5%
Gross Productivity			
Service Dept.			
G/P as a % of sales			
Customer Pay	72.3%	75.2%	78.2%
Warranty	72.3%	77.8%	79.9%
Internal	68.6%	74.2%	75.3%
Sublet Repairs	7.4%	15.7%	15.5%
Total Department	64.5%	69.6%	71.9%
Net Profit as a % of Sales	13.6%	20.2%	15.1%
Expense Control Structure Guidelines			
Service Dept.			
Total expense as a % of Total GP	86.8%	76.8%	80.0%
Personnel Exp as a % of G/P	45.5%	38.8%	36.4%
Adv & Training as a % of G/P	6.2%	5.3%	3.0%
Tools, Supp, Freight as a % of G/P	0.6%	0.0%	-2.2%
Policy Exp as a % of G/P	3.4%	1.4%	1.2%

Fixed Expenses - Percent of Total Gross			
Rent Factor			
Percent of Total Gross	8.1%	9.8%	12.6%
Absorption %	70.4%	84.7%	77.7%
Net Earnings			
% of Total Sales	2.1%	2.9%	3.5%
% of Total Gross	21.4%	19.6%	27.9%
Personnel Expense as a % of Gross profit	41.5%	40.1%	42.5%
Office Compensation as a % of Total Gross	3.8%	4.3%	3.6%

t - Too few data points to arrive at a meaningful average

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
Parts Dept.			
Parts \$ sold per \$1 Labor sold			
Cust. Repair	\$ 0.84	\$ 0.66	\$ 0.63
Warranty	\$ 1.24	\$ 1.23	\$ 1.25
Internal	\$ 1.18	\$ 0.65	\$ 0.77
Dept Gross per Employee	\$ 21,285	\$ 19,247	\$ 21,344
Departmental G/P as a % of Total Dealership G/P	18.1%	18.1%	22.0%
Gross Productivity			
Parts Dept.			
G/P as a % of Sales			
Customer Pay	38.4%	39.1%	39.3%
Warranty	36.5%	37.3%	37.4%
Internal	29.1%	33.8%	32.6%
Counter Retail	32.7%	33.2%	31.7%
Wholesale	17.9%	22.0%	23.4%
Customer Pay - Body Shop	t	t	t
Warranty - Body Shop	t	t	t
Total Dept GP%	34.8%	34.8%	34.1%
Net profit as a % of Sales	17.0%	15.8%	10.5%
Expense Control Structure Guidelines			
Parts Dept.			
Total Exp as % of Total G/P	47.0%	59.2%	68.9%
Personnel Exp as a % of G/P	27.6%	29.4%	33.9%
Advertising as a % of G/P	2.8%	4.2%	2.1%
Tools, Supp, Freight as a % of G/P	1.1%	0.8%	0.7%
Policy as a % of G/P	0.3%	0.0%	0.7%

Fixed Expenses - Percent of Total Gross			
Office Staff to Total Dealership	1:10.1	1:13.3	1:7.8
Total Expenses as a % of Total Gross	85.1%	86.9%	92.4%
Payroll Taxes as a % of Total Gross	4.6%	4.2%	4.3%
Owners Compensation as a % of Sales	0.48%	0.32%	0.38%
Gross Per Employee (total deal)	\$ 9,055	\$ 8,962	\$ 10,142
All Other Income Per Retail Unit Sold less LIFO & Gains on Fixed	\$ 730	\$ 792	\$ 1,568
Retail Units Sold / Administrative	235	310	135