



2021 Automotive Industry Guidelines

Sales - Merchandising and Staffing Guidelines New Vehicle

	Domestic Dealer	Import Dealer	Highline Dealer
New Vehicle Supply (in days)	36	8	25
Units per salesperson (New)	9	10	8
Gross Cars - before F&I	\$ 3,315	\$ 1,435	\$ 2,837
Gross Trucks - before F&I	\$ 4,175	\$ 2,723	\$ 3,061
Sales Ratio: new to every 1 used	1.0	1.2	1.2
Departmental G/P as a % of Total Dealership G/P	32.9%	36.5%	27.9%

Gross Productivity New Vehicle

	Domestic Dealer	Import Dealer	Highline Dealer
Gross profit as a % of sales	7.7%	6.6%	6.1%
Net profit as a % of sales	4.9%	4.9%	3.0%
F&I penetration Rate%			
Finance contract (inc retail lease)	75.0%	82.7%	63.3%
Extended Service	59.2%	59.4%	45.7%
Finance & Insurance Gross per financed veh.	\$ 1,397	\$ 985	\$ 1,890
Ext. Service Gross per contract	\$ 953	\$ 1,428	\$ 1,702
All New Other Income per new vehicle sold	\$ 1,301	\$ 595	\$ 2,750

Expense Control Structure Guidelines New Vehicle

	Domestic Dealer	Import Dealer	Highline Dealer
Total expense as a % of vehicle G/P	81.0%	99.7%	104.0%
Compensation as a % of veh GP			
Salesperson	25.2%	28.5%	26.3%
Supervision	20.2%	29.1%	26.4%
F&I comp as % of F&I income	19.7%	20.7%	18.5%
Personnel Exp. as a % of G/P	45.0%	62.6%	41.1%
Gross Advertising Exp as a % of veh. G/P	16.4%	12.9%	10.1%
Gross Advertising Reimbursement as a % of veh. G/P	7.7%	1.7%	5.4%
Net Advertising per retail unit sold	\$ 615	\$ 291	\$ 388
Gross Floor plan int. as a % of G/P	6.8%	1.3%	3.3%
Gross Floor plan int. reimbursement as a % of veh. G/P	10.8%	14.4%	8.9%
Policy Exp as a % of veh. G/P	0.7%	0.6%	0.4%

Performance Measures Key Indicator Ratios

Current Ratio	1.6	2.7	3.4
Debt to Equity Ratio	2.5	0.9	1.2

Sales - Merchandising & Staffing Guidelines Used Vehicle

	Domestic Dealer	Import Dealer	Highline Dealer
Used Vehicle supply (in days)	54	40	45
Units per salesperson (Used)	12	12	10
Gross Cars - Before F&I	\$ 2,207	\$ 2,616	\$ 3,498
Gross Trucks - before F&I	\$ 2,722	\$ 2,943	\$ 4,576
Departmental G/P as a % of Total Dealership G/P	20.1%	19.7%	20.7%

Gross Productivity Used Vehicle

	Domestic Dealer	Import Dealer	Highline Dealer
Gross profit as a % of sales	9.7%	12.0%	10.6%
Net profit as a % of sales	4.8%	6.3%	5.1%
F&I Penetration Rate %			
Finance contracts (includes retail lease)	71.1%	62.6%	53.4%
Extended Service	58.4%	52.1%	33.8%
Finance & Insurance Gross per financed vehicle	\$ 1,183	\$ 928	\$ 1,066
Ext Service Gross per contract	\$ 1,547	\$ 1,780	\$ 1,468
All Used Other Income per used vehicle sold	‡	‡	‡

Expense Control Structure Guidelines Used Vehicle

	Domestic Dealer	Import Dealer	Highline Dealer
Total Expense as a % of Total G/P	61.9%	56.9%	51.6%
Compensation as a % of veh GP			
Salesperson	26.9%	25.0%	20.4%
Supervision	22.8%	20.1%	17.4%
F&I comp as % of F&I income	22.3%	19.1%	19.6%
Personel Exp as a % of G/P	33.7%	31.8%	27.9%
Gross Advertising as a % of Veh G/P	9.7%	8.1%	5.0%
Gross Advertising Reimbursement as a % of veh. G/P	‡	‡	‡
Net Advertising per retail unit sold	\$ 286	\$ 210	\$ 198
Gross Floor plan int as a % of Veh G/P	1.7%	0.7%	1.0%
Gross Floor plan int. reimbursement as a % of veh. G/P	‡	‡	‡
Policy Exp as a % of veh. G/P	0.6%	1.6%	0.3%
Reconditioning - Cars & Trucks	\$ 964	\$ 1,009	\$ 906

Performance Measures Key Indicator Ratios

Return on Equity (ROE)	97.4%	89.0%	57.1%
Return on Assets (ROA)	26.6%	41.2%	24.9%

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



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Service Dept.			
Flat Hrs/RO	1.6	1.0	2.0
RO's/Day/Svc Advisor - Cust Pay, Warr, Int.	3.6	4	2.8
Technicians per Service Advisor	3.1	3.9	3.9
Labor Gross per Tech	\$ 159,865	\$ 134,954	\$ 205,722
Labor Gross per Advisor	\$ 490,497	\$ 552,735	\$ 592,567
Departmental G/P as a % of Total Dealership G/P	18.2%	19.9%	29.7%

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
Parts Dept.			
<u>Parts \$ sold per \$1 Labor sold</u>			
Cust. Repair	\$ 0.78	\$ 0.77	\$ 0.70
Warranty	\$ 1.29	\$ 1.18	\$ 1.12
Internal	\$ 1.03	\$ 0.58	\$ 0.73
Dept Gross per Employee	\$ 213,380	\$ 254,009	\$ 399,840
Departmental G/P as a % of Total Dealership G/P	14.7%	10.3%	17.2%

Gross Productivity			
Service Dept.			
<u>G/P as a % of sales</u>			
Customer Pay	73.7%	76.1%	78.4%
Warranty	74.1%	76.4%	80.1%
Internal	70.2%	73.0%	75.2%
Sublet Repairs	18.1%	14.7%	17.8%
Total Department	66.4%	67.9%	71.4%
Net Profit as a % of Sales	8.9%	18.6%	17.6%

Gross Productivity			
Parts Dept.			
<u>G/P as a % of Sales</u>			
Customer Pay	42.3%	37.9%	41.6%
Warranty	38.5%	36.5%	37.9%
Internal	30.5%	32.7%	33.2%
Counter Retail	31.7%	30.8%	33.2%
Wholesale	16.4%	19.0%	22.5%
Customer Pay - Body Shop	30.7%	38.0%	‡
Warranty - Body Shop	‡	‡	‡
Total Dept GP%	31.3%	31.1%	33.0%
Net profit as a % of Sales	11.5%	11.7%	10.0%

Expense Control Structure Guidelines			
Service Dept.			
Total expense as a % of Total GP	80.9%	72.5%	74.0%
Personnel Exp as a % of G/P	45.3%	32.2%	30.4%
Adv & Training as a % of G/P	4.5%	4.2%	2.9%
Tools, Supp, Freight as a % of G/P	1.8%	-1.3%	-1.3%
Policy Exp as a % of G/P	3.3%	1.7%	0.9%

Expense Control Structure Guidelines			
Parts Dept.			
Total Exp as % of Total G/P	58.5%	38.1%	57.3%
Personnel Exp as a % of G/P	34.7%	31.8%	37.5%
Advertising as a % of G/P	2.6%	3.6%	2.8%
Tools, Supp, Freight as a % of G/P	1.5%	1.2%	1.6%
Policy as a % of G/P	0.4%	0.3%	0.5%

Fixed Expenses - Percent of Total Gross			
Rent Factor			
Percent of Total Gross	6.7%	5.8%	7.5%
Absorption %	111.0%	96.3%	170.8%
Net Earnings			
% of Total Sales	5.5%	6.6%	5.9%
% of Total Gross	36.7%	42.8%	40.9%
Personnel Expense as a % of Gross profit	33.4%	42.8%	35.0%
Office Compensation as a % of Total Gross	2.9%	3.4%	5.4%

Fixed Expenses - Percent of Total Gross			
Office Staff to Total Dealership	0.12	0.09	0.13
Total Expenses as a % of Total Gross	69.5%	70.0%	78.3%
Payroll Taxes as a % of Total Gross	3.4%	3.3%	3.5%
Owners Compensation as a % of Sales	0.36%	1.94%	0.16%
Gross Per Employee (total deal)	\$ 167,722	\$ 135,624	\$ 166,625
All Other Income Per Retail Unit Sold less LIFO & Gains on Fixed	\$ 1,062	\$ 517	\$ 1,695
Retail Units Sold / Administrative	171	238	280

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