

2010 Automotive Industry Guidelines

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
New Vehicle			
New Vehicle Supply in days	97.25	71.88	61.86
Number of units older than 90 days	33.00	49.40	37.03
Units per salesperson (New) per month	7.84	9.45	9.33
Gross Cars - before F&I	\$ 1,324.50	\$ 1,182.63	\$ 2,588.57
Gross Trucks - before F&I	\$ 1,623.25	\$ 1,312.57	\$ 3,438.60
Sales Ratio: new to used	1.28:1	2.28:1	1.76:1
Gross Productivity			
New Vehicle			
Gross profit as a % of sales	6.2%	6.3%	8.5%
Net profit as a % of sales	0.9%	2.1%	2.0%
F&I penetration Rate%			
Finance contract (exc retail lease)	66.2%	69.1%	54.8%
Finance contract (inc retail lease)	69.3%	76.8%	74.1%
Insurance	24.0%	14.7%	8.5%
Extended Service	43.3%	42.0%	19.5%
Finance Gross per financed veh.	\$ 601.71	\$ 387.00	\$ 628.20
Insurance Gross per insured veh	\$ 400.50	\$ 361.00	\$ 288.80
Ext Service Gross per contract	\$ 861.43	\$ 618.43	\$ 749.83
Expense Control Structure Guidelines			
New Vehicle			
Total expense as a % of vehicle G/P	N/A	95.8%	80.3%
Compensation as a % of veh GP			
Salesperson	22.3%	18.8%	19.4%
Supervision	20.8%	17.0%	14.4%
F&I comp as % of F&I income	25.0%	23.2%	26.5%
Personnel Exp as a % of G/P	43.2%	41.5%	38.3%
Advertising as a % of Veh G/P	18.1%	15.3%	19.0%
Advertising per retail unit sold	\$ 417.43	\$ 280.33	\$ 270.50
Floor plan int as a % of Veh G/P	-5.0%	2.4%	1.4%

Sales - Merchandising & Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
Used Vehicle			
Used Vehicle supply (in days)	52.88	59.13	48.43
Number of units older than 90 days	19.00	9.33	34.00
Units per salesperson (N&U) per month	10.94	12.93	8.63
Gross Cars - Before F&I	\$ 1,614.25	\$ 2,021.69	\$ 2,297.00
Gross Trucks - before F&I	\$ 2,000.00	\$ 1,625.00	\$ 2,299.67
Gross Productivity			
Used Vehicle			
Gross profit as a % of sales	13.7%	9.5%	7.7%
Net profit as a % of sales	4.1%	2.7%	4.3%
F&I Penetration Rate %			
Finance Income (excl retail lease)	49.9%	56.3%	47.9%
Insurance	22.3%	24.8%	10.3%
Extended Service	34.4%	47.4%	28.9%
Finance Gross per financed vehicle	\$ 579.57	\$ 506.33	\$ 576.60
Insurance Gross per insured vehicle	\$ 293.17	\$ 286.74	\$ 531.25
Ext Service Gross per contract	\$ 844.57	\$ 740.57	\$ 727.50
Expense Control Structure Guidelines			
Used Vehicle			
Total Expense as a % of Total G/P	94.3%	88.6%	88.2%
Compensation as a % of veh GP			
Salesperson	23.6%	17.9%	27.1%
Supervision	15.2%	19.3%	19.2%
F&I comp as % of F&I income	24.2%	22.9%	20.7%
Personnel Exp as a % of G/P	43.0%	46.6%	48.0%
Advertising as a % of Veh G/P	12.5%	10.3%	10.8%
Advertising per retail unit sold	\$ 255.57	\$ 241.57	\$ 226.83
Floor plan int as a % of Veh G/P	1.4%	2.2%	1.7%
Reconditioning - Cars	\$ 592.33	\$ 1,065.75	\$ 1,018.00
Reconditioning - Trucks	\$ 718.80	\$ 847.67	\$ 728.33

Performance Measures	Domestic Dealer	Import Dealer	Highline Dealer
Key Indicator Ratios			
Current Ratio	\$ 1.42	\$ 1.52	\$ 1.70
Debt to Equity Ratio	\$ 2.42	\$ 2.42	\$ 2.47

Performance Measures	Domestic Dealer	Import Dealer	Highline Dealer
Key Indicator Ratios			
Return on Equity (ROE)	28.4%	32.5%	35.1%
Return on Assets (ROA)	9.3%	10.1%	10.0%

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Service Dept.			
Flat Hrs/RO	1.63	1.67	1.96
Technician efficiency	87.0%	94.2%	89.1%
RO's/Day/Svc Advisor - Cust Pay, Warr, Int	13.87	14.75	14.79
Technicians per Service Advisor	5.46	3.57	4.21
Labor Gross per Tech (per month)	\$ 8,115.54	\$ 11,992.81	\$ 13,458.18
Labor Gross per Advisor (per month)	\$ 32,132.69	\$ 36,744.86	\$ 45,129.67
Gross Productivity			
Service Dept.			
G/P as a % of sales			
Customer Pay	71.0%	71.5%	77.5%
Warranty	72.1%	78.5%	78.5%
Internal	67.9%	72.0%	73.4%
Sublet Repairs	5.9%	7.4%	16.6%
Total Department	66.3%	71.7%	73.3%
Net Profit as a % of Sales	15.1%	22.2%	20.3%
Expense Control Structure Guidelines			
Service Dept.			
Total expense as a % of Total GP	78.6%	74.2%	71.2%
Personnel Exp as a % of G/P	32.4%	35.3%	31.4%
Adv & Training as a % of G/P	6.8%	4.3%	2.5%
Tools, Supp, Freight as a % of G/P	1.8%	1.3%	10.8%

Fixed Expenses - Percent of Total Gross	Domestic Dealer	Import Dealer	Highline Dealer
Office Staff to Total Dealership	1:7	1:9	1:9.6
Total Expenses as a % of Total Gross	86.2%	84.0%	75.8%
Payroll Taxes as a % of Total Gross	4.5%	4.3%	3.9%
Owners Compensation as a % of Sales	1.0%	0.5%	1.4%
Rent Factor			
Percent of Total Gross	7.7%	9.1%	9.0%

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	Highline Dealer
Parts Dept.			
Level of Service	85.1%	84.8%	88.1%
Stock Order Performance	81.1%	91.0%	89.2%
Parts \$ sold per Labor \$ sold			
Cust Repair	95.9%	65.8%	65.8%
Warranty	\$ 1.46	\$ 1.01	\$ 1.44
Internal	95.0%	89.8%	94.8%
Dept Gross per Employee (per month)	\$ 12,492.70	\$ 15,742.14	\$ 22,559.26
Gross Productivity			
Parts Dept.			
G/P as a % of Sales			
Customer Pay	38.0%	38.6%	44.0%
Warranty	31.8%	33.0%	32.4%
Internal	28.2%	29.1%	33.0%
Counter Retail	35.7%	35.1%	39.3%
Wholesale	19.0%	19.9%	26.9%
Customer Pay - Body Shop	34.1%	41.5%	31.5%
Warranty - Body Shop	36.0%	36.0%	31.0%
Total Dept GP%	37.6%	32.2%	35.1%
Net profit as a % of Sales	10.7%	10.3%	14.0%
Expense Control Structure Guidelines			
Parts Dept.			
Total Exp as % of Total G/P			
	56.7%	75.2%	58.7%
Personnel Exp as a % of G/P	34.1%	34.4%	27.7%
Advertising & Training as a % of G/P	3.9%	2.7%	3.8%
Tools, Supp, Freight as a % of G/P	1.2%	1.4%	1.6%

Fixed Expenses - Percent of Total Gross	Domestic Dealer	Import Dealer	Highline Dealer
Absorption %	81.4%	86.2%	94.7%
Net Earnings			
% of Total Sales	3.6%	3.1%	4.1%
% of Total Gross	23.5%	22.4%	29.9%
Personnel Expense as a % of Gross profit	43.3%	42.6%	37.8%
Office Compensation as a % of Total Gross	4.3%	4.8%	4.0%

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