



2023 Automotive Industry Guidelines

Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	HighLine Dealer
New Vehicle			
New Vehicle Supply (in days)	80	29	46
Units per salesperson (New)	8	9	8
Gross Cars - before F&I	\$ 2,106	\$ 2,032	\$ 3,980
Gross Trucks - before F&I	\$ 3,490	\$ 3,214	‡
Sales Ratio: new to every 1 used	1.2	1.2	1.2
Departmental G/P as a % of Total Dealership G/P	28.6%	34.6%	28.5%
Gross Productivity			
New Vehicle			
Gross profit as a % of sales	5.4%	6.4%	4.6%
Net profit as a % of sales	1.5%	3.6%	1.5%
Finance contract (inc retail lease)	65.8%	64.5%	52.9%
Extended Service	70.9%	58.8%	59.8%
Finance & Insurance Gross per financed veh.	\$ 1,143	\$ 725	\$ 1,343
Ext. Service Gross per contract	\$ 1,628	\$ 1,605	\$ 1,390
All New Other Income per new vehicle sold	\$ 2,125	\$ 1,379	\$ 3,639
Expense Control Structure Guidelines			
New Vehicle			
Total expense as a % of vehicle G/P	117.6%	117.7%	126.1%
Salesperson	28.6%	30.3%	30.5%
Supervision	15.7%	21.5%	30.2%
Personnel Exp. as a % of G/P	16.6%	17.8%	13.8%
Gross Advertising Exp as a % of veh. G/P	62.7%	70.5%	44.0%
Gross Advertising Reimbursement as a % of veh. G/P	14.2%	12.7%	13.5%
Net Advertising per retail unit sold	8.7%	2.1%	3.2%
Net Advertising per retail unit sold	\$ 417	\$ 313	\$ 415
Gross Floor plan int. as a % of G/P	20.6%	6.1%	17.0%
Gross Floor plan int. reimbursement as a % of veh. G/P	23.1%	19.8%	11.7%
Policy Exp as a % of veh. G/P	0.5%	0.4%	0.4%
Performance Measures			
Key Indicator Ratios			
Current Ratio	1.9	2.5	2.2
Debt to Equity Ratio	1.7	1.2	1.2

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

Sales - Merchandising & Staffing Guidelines	Domestic Dealer	Import Dealer	HighLine Dealer
Used Vehicle			
Used Vehicle supply (in days)	68	44	50
Units per salesperson (Used)	8	11	12
Gross Cars - Before F&I	\$ 1,643	\$ 1,422	\$ 2,542
Gross Trucks - before F&I	\$ 1,608	\$ 1,833	\$ 3,007
Departmental G/P as a % of Total Dealership G/P	9.3%	9.7%	10.0%
Gross Productivity			
Used Vehicle			
Gross profit as a % of sales	4.8%	6.0%	5.0%
Net profit as a % of sales	0.3%	2.4%	1.3%
Finance contracts (includes retail lease)	69.4%	63.4%	50.4%
Extended Service	90.9%	60.9%	40.4%
Finance & Insurance Gross per financed vehicle	\$ 1,016	\$ 698	\$ 1,095
Ext Service Gross per contract	\$ 1,312	\$ 1,619	\$ 2,143
All Used Other Income per used vehicle sold	‡	‡	‡
Expense Control Structure Guidelines			
Used Vehicle			
Total Expense as a % of Total G/P	111.6%	82.7%	77.5%
Salesperson	38.3%	38.6%	26.9%
Supervision	22.5%	30.3%	31.7%
F&I comp as % of F&I income	16.5%	14.1%	14.0%
Personel Exp as a % of G/P	47.0%	41.7%	42.2%
Gross Advertising as a % of Veh G/P	17.1%	15.8%	8.4%
Gross Advertising Reimbursement as a % of veh. G/P	N/A	N/A	N/A
Net Advertising per retail unit sold	\$ 250	\$ 245	\$ 203
Gross Floor plan int as a % of Veh G/P	2.2%	1.2%	3.4%
Gross Floor plan int. reimbursement as a % of veh. G/P	N/A	N/A	N/A
Policy Exp as a % of veh. G/P	1.8%	2.0%	0.8%
Reconditioning - Cars & Trucks	‡	‡	\$ 1,072
Performance Measures			
Key Indicator Ratios			
Return on Equity (ROE)	49.6%	68.0%	37.8%
Return on Assets (ROA)	17.4%	23.8%	16.7%



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Service Dept.			
Flat Hrs/RO	1.5	1.1	2.0
RO's/Day/Svc Advisor - Cust Pay, Warr, Int.	8.6	12.7	10.6
Technicians per Service Advisor	3.3	2.9	3.2
Labor Gross per Tech	\$ 165,225	\$ 173,921	\$ 261,359
Labor Gross per Advisor	\$ 537,981	\$ 448,904	\$ 804,575
Departmental G/P as a % of Total Dealership G/P	25.1%	22.1%	32.6%
Gross Productivity			
Service Dept.			
<u>G/P as a % of sales</u>			
Customer Pay	73.4%	77.3%	80.5%
Warranty	76.9%	78.8%	78.0%
Internal	70.1%	77.3%	76.0%
Sublet Repairs	12.5%	13.6%	21.0%
Total Department	67.6%	69.8%	74.9%
Net Profit as a % of Sales	16.6%	11.8%	12.1%
Expense Control Structure Guidelines			
Service Dept.			
<u>Total expense as a % of Total GP</u>			
	75.9%	75.1%	82.4%
Personnel Exp as a % of G/P	43.1%	39.5%	35.5%
Adv & Training as a % of G/P	4.7%	3.7%	1.3%
Tools, Supp, Freight as a % of G/P	1.2%	-1.7%	0.6%
Policy Exp as a % of G/P	2.1%	2.2%	2.1%

Fixed Expenses - Percent of Total Gross			
Rent Factor			
Percent of Total Gross	6.0%	7.1%	5.7%
Absorption %	86.8%	71.2%	‡
Net Earnings			
% of Total Sales	4.9%	5.8%	4.7%
% of Total Gross	33.6%	36.9%	34.5%
Personnel Expense as a % of Gross profit	44.8%	47.5%	40.0%
Office Compensation as a % of Total Gross	2.6%	2.8%	2.6%

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Sales - Merchandising and Staffing Guidelines	Domestic Dealer	Import Dealer	HighLine Dealer
Parts Dept.			
<u>Parts \$ sold per \$1 Labor sold</u>			
Cust. Repair	\$ 0.77	\$ 0.72	\$ 0.63
Warranty	\$ 1.17	\$ 0.99	\$ 0.89
Internal	\$ 0.81	\$ 0.69	\$ 0.72
Dept Gross per Employee	\$ 182,962	\$ 272,439	\$ 343,349
Departmental G/P as a % of Total Dealership G/P	16.0%	12.1%	17.3%
Gross Productivity			
Parts Dept.			
<u>G/P as a % of Sales</u>			
Customer Pay	37.6%	38.0%	41.0%
Warranty	44.2%	37.9%	41.4%
Internal	32.7%	37.2%	33.6%
Counter Retail	29.5%	35.0%	28.6%
Wholesale	16.8%	15.9%	22.2%
Customer Pay - Body Shop	‡	36.0%	‡
Warranty - Body Shop	‡	‡	‡
Total Dept GP%	35.4%	32.4%	34.0%
Net profit as a % of Sales	13.5%	12.3%	13.0%
Expense Control Structure Guidelines			
Parts Dept.			
<u>Total Exp as % of Total G/P</u>			
	46.3%	46.9%	71.5%
Personnel Exp as a % of G/P	32.5%	33.5%	39.1%
Advertising as a % of G/P	2.2%	4.0%	1.8%
Tools, Supp, Freight as a % of G/P	1.5%	0.7%	2.0%
Policy as a % of G/P	0.6%	0.6%	0.3%

Fixed Expenses - Percent of Total Gross			
Office Staff to Total Dealership	0.10	0.10	0.12
Total Expenses as a % of Total Gross	77.6%	76.5%	81.8%
Payroll Taxes as a % of Total Gross	4.5%	4.1%	4.0%
Owners Compensation as a % of Sales	0.15%	0.20%	0.12%
Gross Per Employee (total deal)	\$ 147,795	\$ 158,326	\$ 183,870
All Other Income Per Retail Unit Sold less LIFO & Gains on Fixed	\$ 1,151	\$ 1,110	\$ 1,651
Retail Units Sold / Administrative	146	175	162