



Service Modeling: Section 1

Current Operating Data and Growth Plan

Dealership Name: XYZ Luxury Imports

Number of Data Months: 3

<u>Control Category</u>		Current Operations		Planned Growth %	Planned Avg. Month
		YTD Total	Avg. Month		
1	R.O. Count - Customer Paid Labor - Primary	1,099	366	3.50%	379
2	Customer Paid Labor Sales - Primary	\$254,622	\$84,874	19.60%	\$101,511
3	Customer Paid Labor ELR - Primary	\$78.55	\$78.55	5.00%	\$82.48
4	Customer Paid Labor Hours - Primary	3,241.5	1,080.5	13.91%	1,230.8
5	Customer Paid Labor Hours Per R.O. - Primary	2.95	2.95	10.00%	3.25
6	Customer Paid Labor Gross Profit - Primary	\$164,332	\$54,777	28.99%	\$70,657
7	Customer Paid Cost of Labor Sales - Primary	\$90,290	\$30,097	2.52%	\$30,854
8	Customer Paid Cost Per Hour - Primary	\$27.85	\$27.85	-10.00%	\$25.07
9	Customer Paid GPM% - Primary	64.54%	64.54%	7.85%	69.61%
10	R.O. Count - Customer Paid Labor - Express	2,592	864	3.50%	894
11	Customer Paid Labor Sales - Express	\$80,623	\$26,874	27.27%	\$34,203
12	Customer Paid Labor ELR - Express	\$51.23	\$51.23	2.50%	\$52.51
13	Customer Paid Labor Hours - Express	1,573.7	524.6	24.17%	651.3
14	Customer Paid Labor Hours Per R.O. - Express	0.61	0.61	20.00%	0.73
15	Customer Paid Labor Gross Profit - Express	\$53,221	\$17,740	36.86%	\$24,279
16	Customer Paid Cost of Labor Sales - Express	\$27,402	\$9,134	8.65%	\$9,924
17	Customer Paid Cost Per Hour - Express	\$17.41	\$17.41	-12.50%	\$15.24
18	Customer Paid GPM% - Express	66.01%	66.01%	7.53%	70.99%
19	Total R.O. Count - Total Customer Paid Labor	3,691	1,230	3.50%	1,273
20	Total Customer Paid Labor Sales	\$335,245	\$111,748	21.45%	\$135,714
21	Blended Customer Paid Labor ELR	\$69.62	\$69.62	3.57%	\$72.11
22	Total Customer Paid Labor Hours	4,815.3	1,605.1	17.26%	1,882.1
23	Average Customer Paid Labor Hours Per R.O.	1.30	1.30	13.30%	1.48
24	Total Customer Paid Labor Gross Profit	\$217,553	\$72,517	30.92%	\$94,936
25	Total Customer Paid Cost of Labor Sales	\$117,692	\$39,231	3.94%	\$40,778
26	Average Customer Paid Cost Per Hour	\$24.44	\$24.44	-11.36%	\$21.67
27	Average Customer Paid Labor GPM%	64.89%	64.89%	7.80%	69.95%

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28	<u>Other Labor Categories</u>				
29	R.O. Count - Warranty Labor	597	199	0.00%	199
30	Memo: "Warranty Only" R.O. Count	297	99	0.00%	99
31	Warranty & ESA Labor Sales	\$116,355	\$38,785	0.00%	\$38,785
32	Warranty & ESA Labor ELR	\$84.75	\$84.75	0.00%	\$84.75
33	Warranty & ESA Labor Hours	1,372.9	457.6	0.00%	457.6
34	Warranty Labor Hours Per R.O.	2.30	2.30	0.00%	2.30
35	Warranty & ESA Labor Gross Profit	\$81,566	\$27,189	2.13%	\$27,769
36	Warranty & ESA Cost of Labor Sales	\$34,789	\$11,596	-5.00%	\$11,016
37	Warranty & ESA Cost Per Hour	\$25.34	\$25.34	-5.00%	\$24.07
38	Warranty & ESA Labor GPM%	70.10%	70.10%	2.13%	71.60%
39	Total New and Used Retail Units Delivered	217	72	30.56%	94
40	Internal Labor Sales	\$63,115	\$21,038	40.51%	\$29,561
41	Internal Labor ELR	\$75.50	\$75.50	5.00%	\$79.28
42	Internal Labor Hours	836.0	278.6	33.82%	372.9
43	Internal Labor Hours Per Retail Unit Sold	3.85	3.87	2.50%	3.97
44	Internal Labor Gross Profit	\$38,665	\$12,888	57.44%	\$20,290
45	Internal Cost of Labor Sales	\$24,450	\$8,150	13.75%	\$9,270
46	Internal Cost Per Hour	\$29.25	\$29.25	-15.00%	\$24.86
47	Internal Labor GPM%	61.26%	61.26%	12.05%	68.64%
48	Total New Retail Units Delivered	133	44	25.00%	55
49	NVI Labor Sales	\$21,448	\$7,149	12.50%	\$8,043
50	NVI Labor ELR	\$84.75	\$84.75	0.00%	\$84.75
51	NVI Labor Hours	253.1	84.4	12.50%	94.9
52	NVI Labor Hours Per New Retail Unit Sold	1.90	1.92	-10.00%	1.73
53	NVI Labor Gross Profit	\$14,332	\$4,777	32.05%	\$6,308
54	NVI Cost of Labor Sales	\$7,116	\$2,372	-26.88%	\$1,735
55	NVI Cost Per Hour	\$28.12	\$28.12	-35.00%	\$18.28
56	NVI Labor GPM%	66.82%	66.82%	17.38%	78.43%
57	R.O. Count - Detail Labor	277	92	22.50%	113
58	Detail Labor Sales	\$35,776	\$11,925	27.13%	\$15,160
59	Detail Labor ELR	\$48.00	\$48.00	3.50%	\$49.68
60	Detail Labor Hours	745.3	248.4	22.83%	305.1
61	Detail Labor Hours Per R.O.	2.69	2.70	0.00%	2.70
62	Detail Labor Gross Profit	\$21,888	\$7,296	29.85%	\$9,474
63	Detail Cost of Labor Sales	\$13,888	\$4,629	22.83%	\$5,686
64	Detail Cost Per Hour	\$18.63	\$18.63	0.00%	\$18.63
65	Detail Labor GPM%	61.18%	61.18%	2.15%	62.50%
66	Total Direct Labor Sales	\$571,939	\$190,645	19.21%	\$227,262

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<u>Control Category</u>		Current Operations		Planned Growth %	Planned Avg. Month
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67	Discounts Against Direct Labor Sales	\$0	\$0	0.00%	\$0
68	Total Adjusted Direct Labor Sales	\$571,939	\$190,645	19.21%	\$227,262
69	Total Direct Labor Gross Profit (From Above)	\$374,004	\$124,667	27.36%	\$158,777
70	Discounts Against Direct Labor Gross Profit	\$0	\$0	0.00%	\$0
71	Unapplied Time (Adjusted Cost of Labor Sales)	(\$4,695)	(\$1,565)	-33.33%	(\$1,043)
72	Total Adjusted Direct Labor Gross Profit	\$374,004	\$124,667	26.52%	\$157,734
73	Total Adjusted Direct Labor GPM%	65.39%	65.39%	6.14%	69.41%
74	Total Shop Hours - All Categories	8,022.6	2,674.2	16.40%	3,112.7
75	Avg. Blended Effective Labor Rate (After Discounts)	\$71.29	\$71.29	2.41%	\$73.01
76	Avg. Customer Jobs (All)	3,988	1,329	3.24%	1,372
77	Sublet Labor Sales	\$41,448	\$13,816	10.00%	\$15,198
78	Sublet Labor Gross Profit	\$3,319	\$1,106	48.50%	\$1,642
79	Sublet Labor GPM%	8.01%	8.01%	35.00%	10.81%
80	Total Department Sales	\$613,387	\$204,461	18.58%	\$242,460
81	<i>Improvement in Monthly Sales</i>				\$37,999
82	Total Department Gross Profit	\$377,323	\$125,773	26.72%	\$159,376
83	<i>Improvement in Gross Profit</i>				\$33,603
84	Total Department GPM%	61.51%	61.51%	6.86%	65.73%

Service Modeling: Section 2

Organizational Modeling Calculations

Service Department - Planned Average Month

1	Avg. Monthly Hours - Regular Line Technicians	2,156.2	Autotransfer from "Completed Growth Plan"
2	Hours Billed Per Line Technician Per Month	200.0	Guide or Internal Target
3	Number of Line Technicians Required Per Formula	10.8	Ln. 1 divided by Ln. 2
4	Number of Line Technicians Required - <u>Your Store</u>	11.0	Enter Number of Line Techs For Model
5	Avg. Monthly Hours - Express Technicians	651.3	Autotransfer from "Completed Growth Plan"
6	Hours Billed Per Express Technician Per Month	135.0	Guide or Internal Target
7	Number of Express Technicians Required Per Formula	4.8	Ln. 5 divided by Ln. 6
8	Number of Express Technicians Required - <u>Your Store</u>	5.0	Enter Number of Express Techs For Model
9	Avg. Monthly Hours - Detail Technicians	305.1	Autotransfer from "Completed Growth Plan"
10	Hours Billed Per Detail Technician Per Month	165.0	Guide or Internal Target
11	Number of Detail Technicians Required Per Formula	1.8	Ln. 9 divided by Ln. 10
12	Number of Detail Technicians Required - Your Store	2.0	Enter Number of Detail Techs For Model
13	Avg. Monthly Hours - Full Technician Group	3,112.7	Ln. 1 plus Ln. 5 plus Ln. 9
14	Total Number of Technicians Required - <u>Your Store</u>	18.0	Ln. 4 plus Ln. 8 plus Ln. 12
15	Ratio of Regular Line Technicians to Advisors (ASM's)	4.0	Guide or Internal Target
15a	Number of Advisors (ASM's) Required (Test 1a)	2.8	Ln. 4 divided by Line 15
16	No. of Conventional Customer Interfaces Per Month	478	Autotransfer from "Completed Growth Plan"
16a	No. Of Scheduled Working Days Per Month	23.5	Average Month Service Days Available
16b	No. of Conventional Customer Interfaces Per Day	12.0	Guide or Internal Target
16c	Number of Conventional Advisors Required (Test 2a)	1.7	Line 16 divided by Line 16a divided by Line 16b
17	Conventional Hours Billed Per Advisor Per Month	650	Guide or Internal Target
17a	Number of Conventional Advisors Required (Test 3a)	3.3	Line 1 divided by Line 17
17b	No. of Conventional Advisors Required - Your Store	3.0	Enter Number Based On Tests 1a, 2a, and 3a
18	Ratio of Express Technicians to Advisors (ASM's)	2.0	Guide or Internal Target
18a	Number of Advisors (ASM's) Required (Test 1b)	2.5	Ln. 8 divided by Line 18
19	No. of Express Customer Interfaces Per Month	894	Autotransfer from "Completed Growth Plan"
19a	No. Of Scheduled Working Days Per Month	23.5	Average Month Service Days Available
19b	No. of Express Customer Interfaces Per Day	20.0	Guide or Internal Target
19c	Number of Express Advisors Required (Test 2b)	1.9	Line 19 divided by Line 19a divided by Line 19b
19d	Express Hours Billed Per Advisor Per Month	375	Guide or Internal Target
19e	Number of Express Advisors Required (Test 3b)	1.7	Line 5 divided by Line 19d
19f	No. of Conventional Advisors Required - Your Store	2.0	Enter Number Based On Tests 1b, 2b, and 3b

Consider: Is there enough work to support at least 2.0 Express Technicians? Is there enough work to support an "even number" of Express Technicians? If not, should you consider routing PDI's and/or UCI's to Express Technicians? If so, all of the above numbers for both the Conventional and Express Service Shops may need to be adjusted.

Service Modeling: Section 2

Organizational Modeling Calculations

Service Department - Planned Average Month

1	Avg. Monthly Hours - Regular Line Technicians	2,156.2	Autotransfer from "Completed Growth Plan"
20	Total Required Conventional Advisors	3.0	Autotransfer from Line 17b
21	Total Express Service Advisors	2.0	Autotransfer from Line 19f
22	Total Service Advisors Required	5.0	Line 20 plus Line 21
23	Advisor (ASM) Compensation Percentage of Gross	16.00%	Benchmark or Internal Target
24	Advisor (ASM) Compensation Amount	\$25,500	Ln. 23 multiplied by "Growth Plan Line 32"
25	Average Per Advisor Per Month (Tests 1a and 1b)	\$5,100	Ln. 24 divided by Ln. 22

Consider: Does the above "Compensation Amount Per Advisor" make sense? If not, the Advisor Headcount may need to be adjusted, OR the Advisor Compensation Percentage may need to be adjusted.

26	Management Compensation Percentage	6.50%	Benchmark or Internal Target
27	Management Compensation Amount	\$10,359	Ln. 26 multiplied by "Growth Plan Line 32"
28	Number of Managers Required - Your Store	1.0	Enter Number of Managers For Model
29	Average Per Manager Per Month	\$10,359	Ln. 27 divided by Ln. 28
30	Total Productive Employees	23	Ln. 14 plus Ln. 22
31	Ratio of Productive to Support Employees	2.50	Guide or Internal Target
32	Potential Total Number of Support Employees	9.2	Ln. 30 divided by Ln. 31
33	Less Management Headcount	(1.0)	Entered Automatically From Ln. 28
34	Potential Remaining Support Employees	8.2	Sum of Ln. 32 and Ln. 33
35	Other Salaries Compensation Percentage	7.50%	Benchmark or Internal Target
36	Other Salaries Compensation Amount	\$11,953	Ln. 35 multiplied by "Growth Plan Line 32"
37	Number of "Other" Employees Required - <u>Your Store</u>	5.5	Enter Number of "Other" Employees For Model
38	Average Per "Other" Employee Per Month	\$2,173	Ln. 36 divided by Ln. 37

Service Modeling: Section 3

Service Department Organization Plan

Line Technician Headcount	11.0
Hours Per Line Technician/Month	196.0
Technician Direct Labor Cost	\$50,098
Avg. Per Technician	\$4,554
Avg. Technician Cost Per Hour	\$23.23
Hours % of Direct Labor Hours	69.27%
Gross Per Technician/Mo.	\$10,887
Express Technician Headcount	5.0
Hours Per Express Technician/Month	651.3
Technician Direct Labor Cost	\$9,924
Avg. Per Technician	\$1,985
Avg. Technician Cost Per Hour	\$15.24
Hours % of Direct Labor Hours	20.93%
Gross Per Technician/Mo.	\$4,856
Detail Technician Headcount	2.0
Hours Per Detail Technician/Month	305.1
Technician Direct Labor Cost	\$5,686
Avg. Per Technician	\$2,843
Avg. Technician Cost Per Hour	\$18.63
Hours % of Direct Labor Hours	9.80%
Gross Per Technician/Mo.	\$4,737

Primary Advisor (ASM) Headcount	3.0
Ratio: Techs. to ASM's	3.7
Customers Per ASM/Day	6.8
Total Hours Per Advisor Per Month	718.7
Total Hours Per Advisor Per Day	30.6
Avg. Hours Per C/P R.O.	3.25
Express Advisor (ASM) Headcount	2.0
Ratio: Techs. to ASM's	2.5
Customers Per ASM/Day	19.0
Total Hours Per Advisor Per Month	651.3
Total Hours Per Advisor Per Day	325.7
Avg. Hours Per C/P R.O.	0.73
Total Advisor (ASM) Headcount	5.0
Overall Ratio: Techs. to ASM's	3.2
Total Hours Per Advisor Per Month	561.5
Blended Avg. Hours Per C/P R.O.	1.48
Advisor Compensation	\$25,500
Avg. Per Advisor	\$5,100
Percent of Dept. Gross	16.00%
Dept. Manager Headcount	1.0
Management Compensation	\$10,359
Avg. Per Manager	\$10,359
Percent of Dept. Gross	6.50%
Gross Per Manager/Mo.	\$159,376
Dept. Support Headcount	5.5
Dept. Support Compensation	\$11,953
Avg. Per Employee	\$2,173
Percent of Dept. Gross	7.50%
Total Dept. Headcount	29.5
Total Dept. Compensation (N/I Techs)	\$47,813
Percent of Dept. Gross	30.00%
Gross Per Employee/Mo.	\$5,403
Ratio: Productive to Support	3.54