

How do you measure up? Industry Benchmarks

How does your dealership measure up in Service, Parts and Sales?

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Goal:

- Information to help you make a positive change
 - Industry benchmarks
 - Resources
- Data is from Lightspeed Databack Reports
 - Time Period, 7/2013 – 6/2014
 - Sample pool
 - Metric, 2100 dealers
 - V-Twin, 200 dealers.
 - Time period used is 7/13 to 6/14.



Service
Parts
Sales
F&I
CEM/CRM



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Service Labor

Nationwide Metric – Customer Pay

Avg Labor Retail - \$179.53

Total Sales – \$301,035,278.80

EX:

Customer Pay Rate – \$80.00 $\$80.00 * 2.2441 = \179.53

Tech hrly wage + benefits - \$19.00 (\$12.00+\$5.00) $\$17.00 * 2.2441 = \38.1497

Profit = **\$141.38**



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Service Labor

Nationwide V-Twin – Customer Pay
Avg Labor Sales - \$240.52

Total Sales – \$92,894,154.24

EX:

Customer Pay Rate – \$100.00 $\$100.00 * 2.405 = \240.50

Tech wage + benefits - \$22.00 (\$15.00+\$7.00) $\$22.00 * 2.40 = \52.80

Profit = **\$187.70**



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How can you improve?

- Do a walk around/inspection when unit arrives
- Take photos and attach them to the work order
- Check work history/recalls/upsell
- Monitor warranty closely
- Have you – Owner/GM set attainable goals in service, mainly service manager? Do it...
 - If yes, train and coach
 - Attainable goals set, trained and coached, not reaching set goals, replace them. Make smart decisions not heart decisions! A good service manager is a must.



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- Technician Tools – do they have all the proper tools? Are they in working condition?
- Tech work areas – are they clean? Not only for safety reasons but for ease of use
- Do your techs wear uniforms?
- Do the techs know the value of their role at the dealership? Tell them their value and help them understand the business side
- Have a tech dedicated to sales, doing PDIs
- Consider paying techs flat rate instead of hourly

- Use a tier pay system for flat rate or hourly
 - Base on efficiency
 - Base on % increase by a period of time
- Track Technician billable and non-billable time
 - Productivity
 - Efficiency
 - Proficiency
- Monitor breaks
 - Many devices and vices
 - Set policies and post
 - Make sure you have an employee manual and breaks are clearly stated, breaks are governed by law
- Follow up with a survey



Parts Department

Nationwide Metric – Customer Pay

Avg Parts Sales - \$83.19

Avg Parts Cost - \$61.15

Avg Lines per ticket 2.0

Actual GM% = **31.14%**



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Parts Department

Nationwide V-Twin – Customer Pay

Avg Parts Sales - \$80.82

Avg Parts Cost - \$49.58

Avg Lines per ticket 2.0


Actual GM% = **38.13%**



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How can you improve?

- Upsell
- Discounting- don't do it, use a loyalty program instead
- Set and post goals – competition
- IF you pay commission in parts be smart
 -  Commissions breed greed
- Make sure parts counter people leave the safety of the counter
- Hire a parts to service liaison
- Pay liaison differently but competitively
- Do not allow special orders to be cashiered at the end of the month
- Log lost sales



- Calculate Inventory Turns = Sales/Inventory (3-4 a yr.)
- Track obsolescence, then sell it, DMS parts locator, e-bay
- Keep a smaller/smarter inventory
- Hire a good inventory control manager. (Receiver i.e. Inventory Control Manager)
- Perpetual Inventory
- Monitor breaks
 - Many devices and vices
 - Set policies and post
 - Make sure you have an employee manual and breaks are clearly stated



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Sales Department

Nationwide Metric – Customer Pay

Avg MU Sales - \$9,064.86

Avg MU Cost - \$8,218.89

New GM% = **9.33%**

Used GM% = **18.52%**



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Sales Department

Nationwide V-Twin – Customer Pay

Avg MU Sales - \$18,960.66

Avg MU Cost - \$15,943.22

New GM% = 15.91%

Used GM% = 16.45%



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How can you improve?

- Hire great people, do not accept less, accountability
- Use sales process maps developed by the team,
 - Ownership
 - Approval
- Continual training for sales staff
- Don't try to be Superman
- Upsell, whether to the next model or parts & accessories
- Check your MU Inventory turns
- Have a “Hot” List
- Watch opportunities



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- Get to know your customer, sell but don't harass
- Have a female salesperson
- Sell Used, higher margins
- Set proper ACV
- Offer a 30 day warranty, makes people feel good



Brought to you by:



F & I Department

Nationwide Metric – Customer Pay

Avg F & I - **\$404.91**

Nationwide V-Twin – Customer Pay

Avg F & I - **\$1,305.20**



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How can you improve?

- Hire great people
- Know your potential customer
- Give them a tour of the dealership
- Include everyone in your presentation
- F&I person should be located next to sales
- Always review F&I options
 - Menu selling
 - Multiple financing sources (at least 3)
- What products do you sell – GAP, Ext Warr, CLAH, Prepaid Maintenance, Tire & Wheel, Theft Protection, Simoniz
- Follow up, always follow up



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New Unit GM% by Region per Quarter 7/13 to 6/14

California = CA

Midwest = MW

Northeast = NE

Northwest = NW

South = S

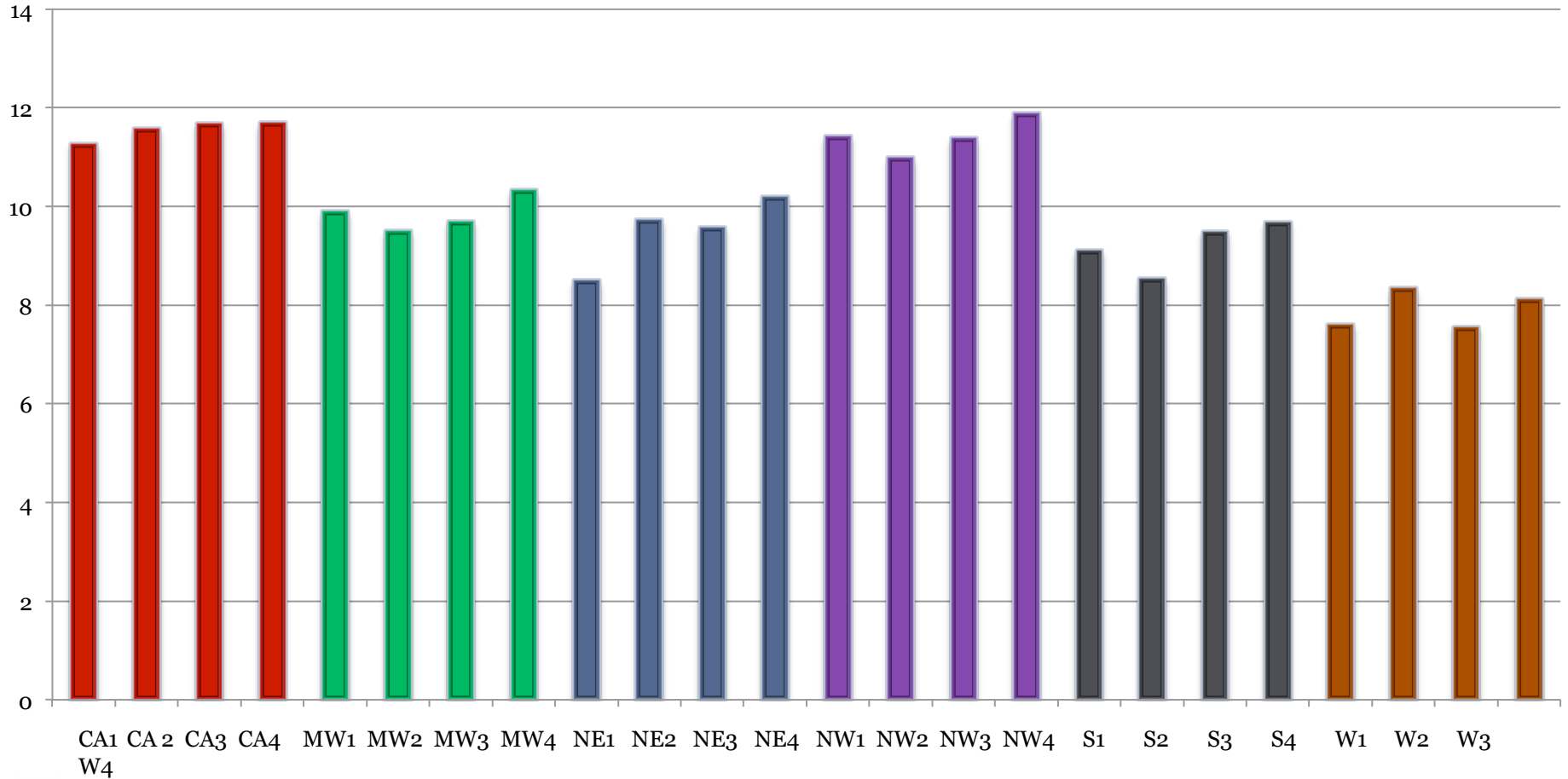
West = W



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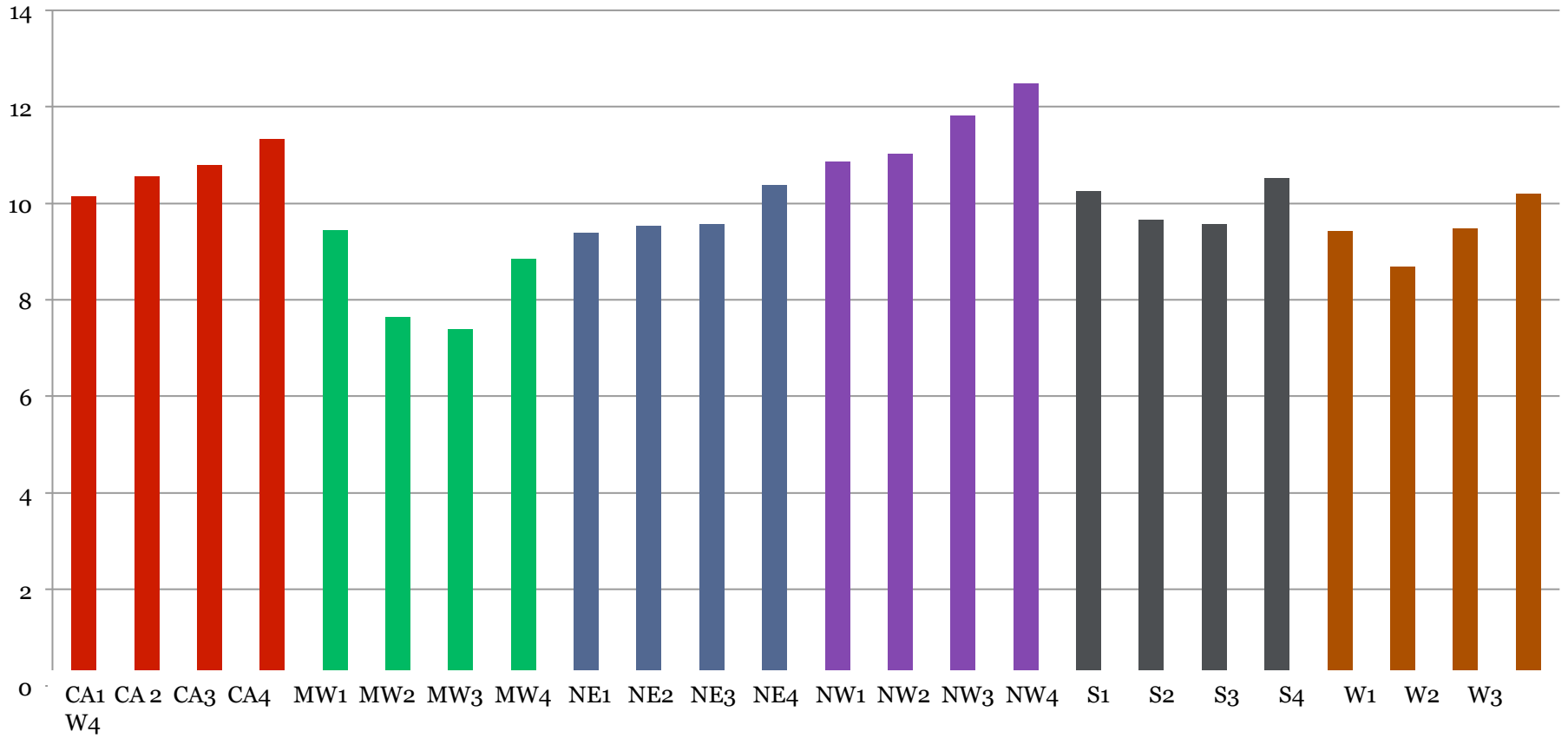
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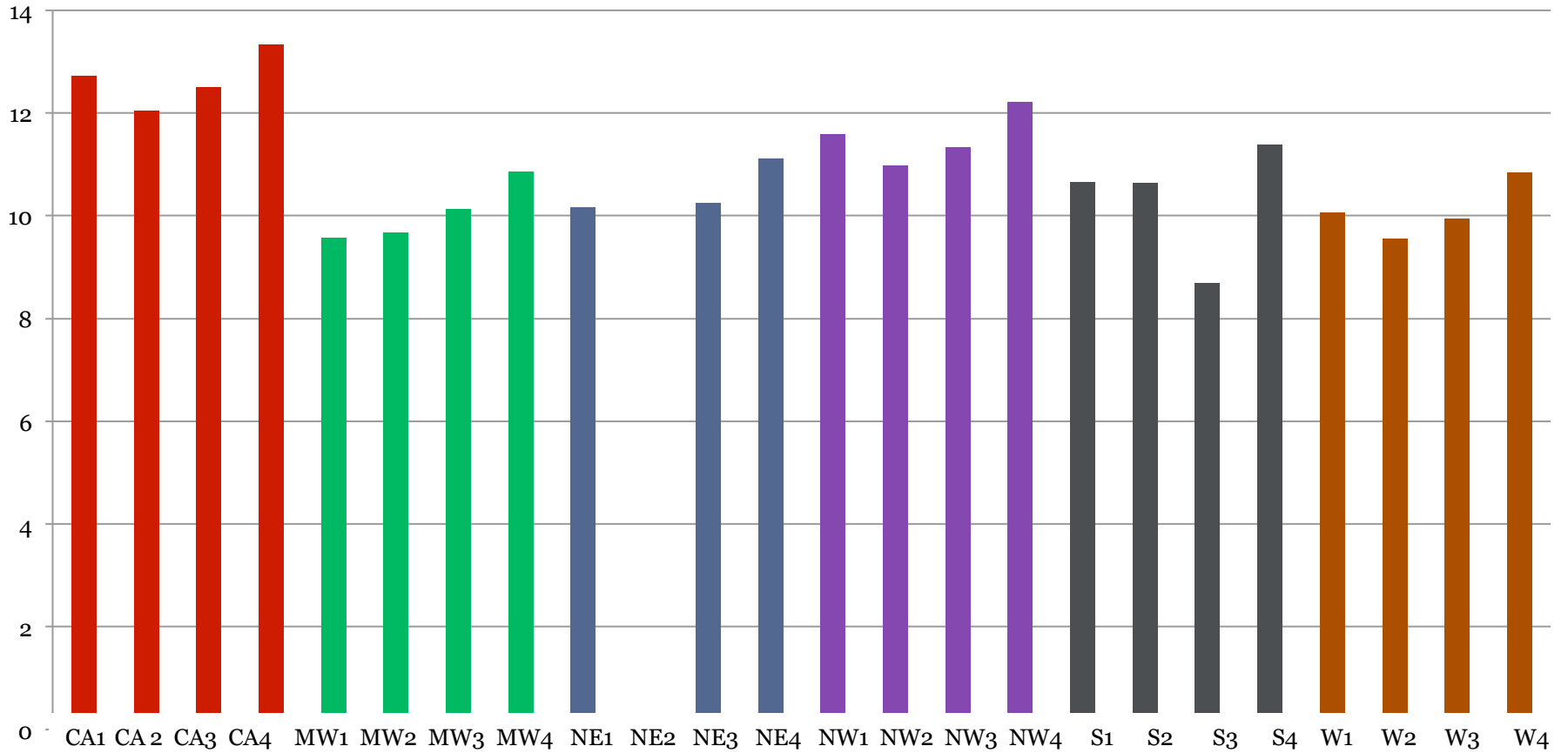
Off Road



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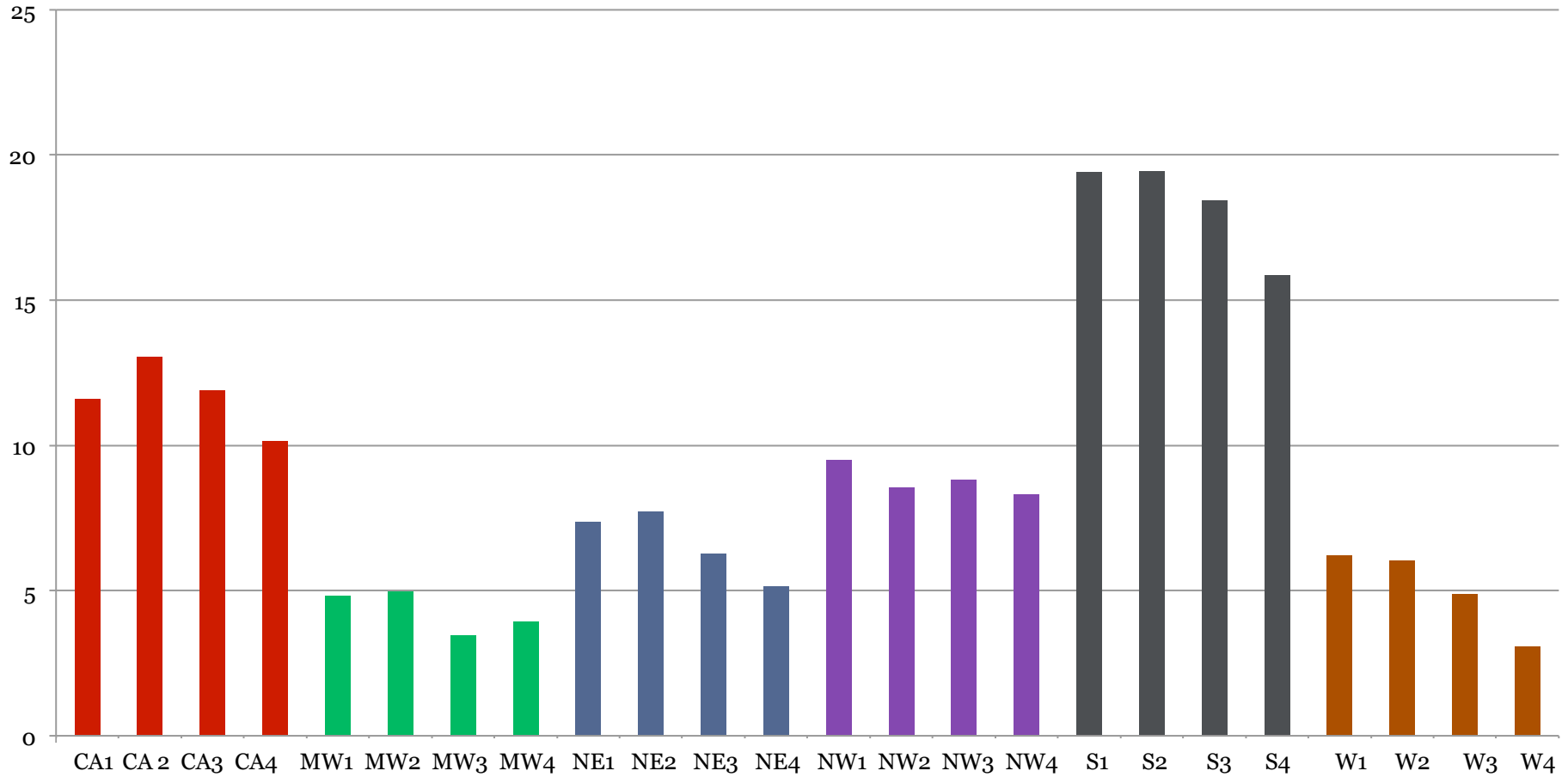
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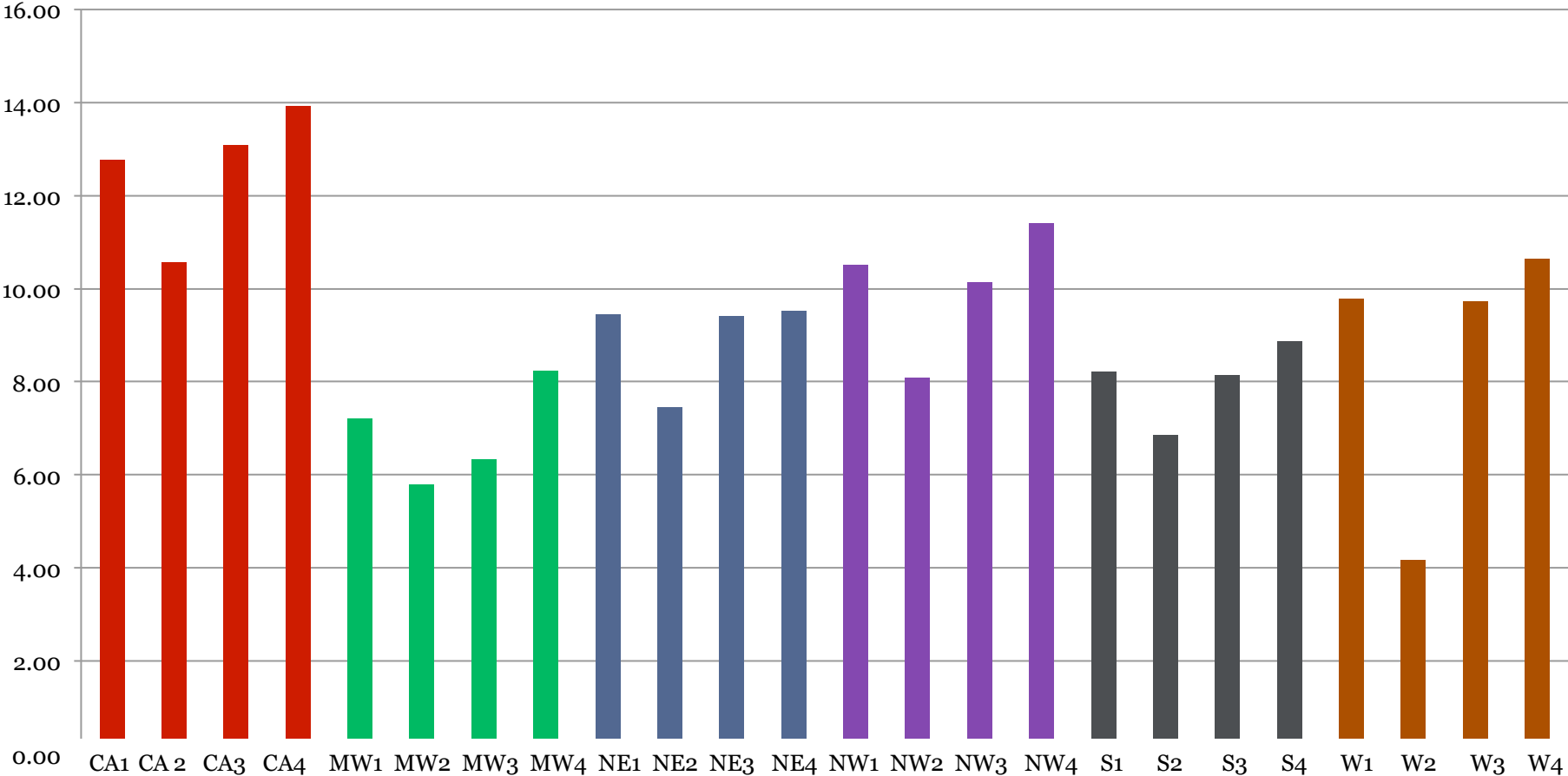
Snowmobile



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CEM/CRM Customer Relations Mgmt

- Manage your customers
- Send them thank you notes just for coming in
- Send them thank you notes for purchasing
- If they did not purchase an Extended Warranty, call them before the manufacturer warranty runs out, (most people do not know they can purchase one)
- Send birthday/holiday wishes



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- Invite/Remind customers of special events
- Send service reminders to customers
- Send notification when the new model years of their units are available
- Send your “Hot” list to your customers.
- Use email blasts, no one mails anything anymore
- Always monitor email accounts for inquiries



Brought to you by:



Use this information to your benefit

- Make positive changes
- Use your DMS, CEM, DU and all other tools available
- Calculate your numbers, you need a baseline, and compare. Strive to be better than the averages by 5%, 10%, 20%! Start slow...

Watch your dealership grow...



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