

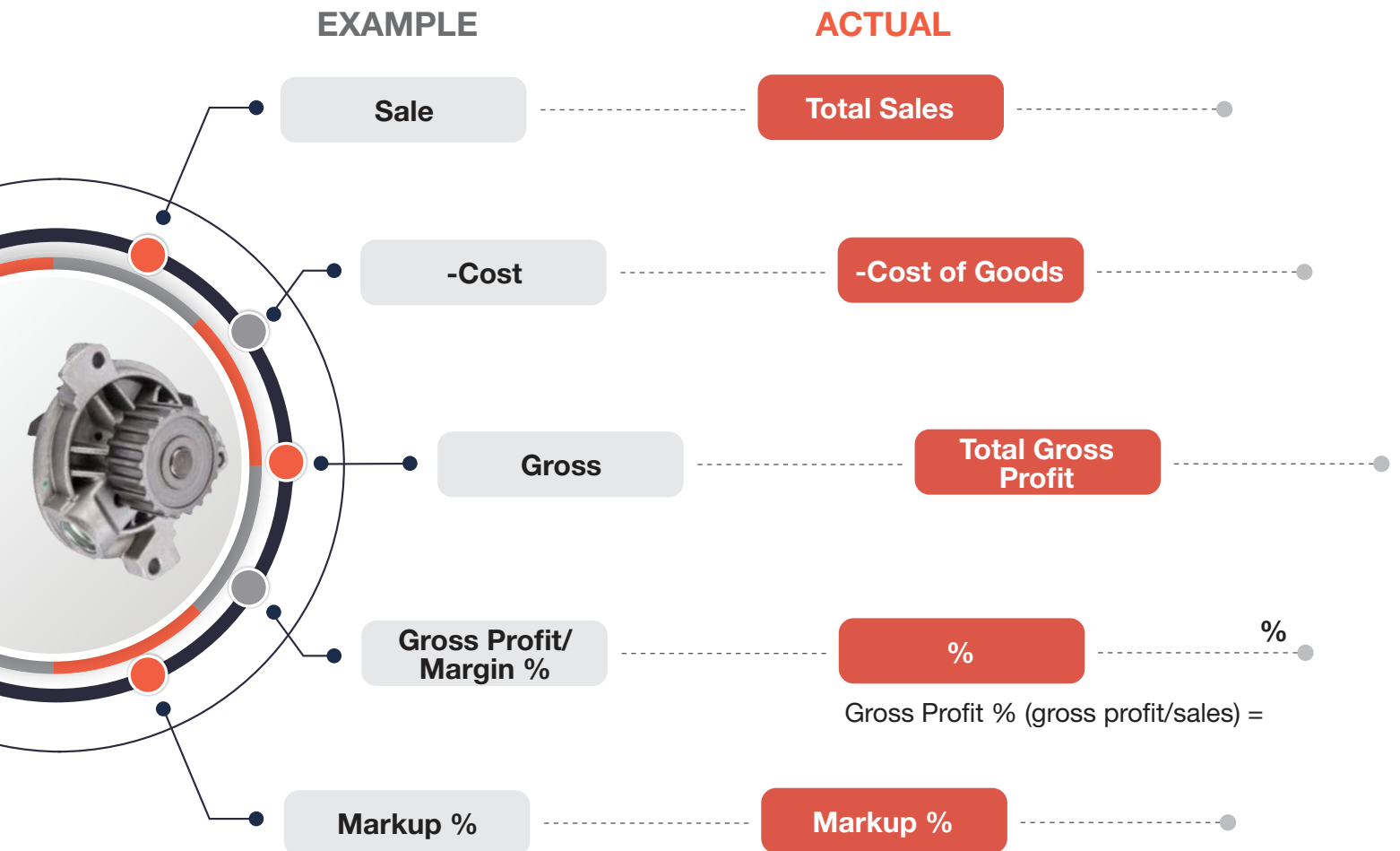


FIXED ABSORPTION BETWEEN TWO

FIRES

**PARTS AND SERVICE MANAGER
WORKSHEETS**

PARTS:



MARGIN:

Parts Markup versus Parts Margin

Should we work with the Markup or Target the Margin?

Cost of part + Markup = sale price

NOTES:

DEPARTMENT NET PROFIT



PARTS & SERVICE

PARTS

SERVICE

Sales _____

Sales _____

-Cost of
Goods _____ (____% Sales)

-Cost
of Tech _____ (____% Sales)

Gross
Profit _____ (____% Sales)

Gross
Profit _____ (____% Sales)

Expenses _____ (____% Gross)

Expenses _____ (____% Gross)

Net Profit _____ (____% Gross)

Net Profit _____ (____% Gross)

FIXED ABSORPTION



Parts Profit

+ Service Profit

+ Body Shop Profit

= Total Fixed Gross profit

**Total Dealership Adjusted Overhead Expense (Total Dealership
Expenses Less Variable Selling Expenses)**

/Total Fixed Gross Profit

=Fixed Absorption %

NOTES:

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DEPARTMENT NET PROFIT



DISCOUNT MODEL

PARTS

Discount % _____

Sales _____

-Cost of
Goods _____ (____% Sales)

Gross
Profit _____ (____% Sales)

Expenses _____ (____% Gross)

Net Profit _____ (____% Gross)

SERVICE

Discount % _____

Sales _____

-Cost of
Labor _____ (____% Sales)

Gross
Profit _____ (____% Sales)

Expenses _____ (____% Gross)

Net Profit _____ (____% Gross)

VITAL DRIVER



PARTS

First Time Fill Rate

Step One--Total Demand Pieces:

Pieces Sold (A) _____

+Lost Sales Transactions _____

=Total Demand Pieces (B) _____

Step Two--First Time Fill Rate

Pieces Sold (A from step one) _____

- Customer Order or
Backorder Piece _____

- Emergency Purchases _____

= Pieces Sold From Inventory _____

/ Total Demand Pieces
(B from step one) _____

= First Time Fill Rate _____

Guide = 90% and above

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SERVICE

Available Production

Total # of Techs _____

X Total # of Hours in a work day _____

= Total Production Capacity _____ Hour

X Total ELR \$ _____

= Labor Sales Possible \$ _____

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VITAL DRIVER



PARTS

Obsolescence

Obsolete Inventory
(12 months or older) \$ _____

/ Total Inventory Value \$ _____

X 100

= Obsolescence % _____ %
(Benchmark is 2% or less)

Causes of Obsolescence:

SOPS _____

Returns _____

Error _____

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SERVICE

Cost of an unproductive tech

Current ELR \$ _____

X 2 Hours (12 minutes)

= Cost \$ _____

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VITAL DRIVER



PARTS

Gross per Employee

Total Departmental Gross \$ _____

/ # of Parts Employees _____

= Gross Profit Per Employee \$ _____

SERVICE

Gross Per Tech

Total Service
Department Gross \$ _____

/ # of Technicians _____

= Gross per tech \$ _____

PRICING STRATEGY

