

Description	Guide
<b>Dealership</b>	
<b>Dealership PROFIT %</b>	<b>26%</b>
Cash Days Supply	90+ days
<b>Cash Retention</b>	<b>90% plus</b>
Return on Gross Profit	41.0%
Return on Sales	6.3%
Fixed Absorption	133%
<b>Total Absorption</b>	<b>139%</b>
Current Ratio	150%
Debt to Equity Ratio	3:1
Contracts in transit	F&I provided cycle time plus 2 days
V/R Days Supply	<7 days
A/R Days Supply	<25 days
W/R Days Supply	Manufacturer cycle time plus 7 days
Sublet Inventory	<2 days
WIP Inventory (service)	<2 days

WIP Inventory (body)	<5 days
Open ROs (service)	<2 days
Open truck sales (booked, not in accounting)	<2 days
Open truck sales (booked, not in accounting)	<2 days
Physical to GL parts recon	<1/2%
Physical to GL WIP recon	<1/2%
A/P Days Supply	30 days
Management Overhead % of gross	<5%
Total dealership headcount to accounting/admin headcount	15:1
<b>Accounting</b>	
<b>Days to close</b>	<b>&lt;7 calendar days</b>
<b>DMS</b>	
<b>Review and revise DMS setups on a quarterly basis</b>	

These are the KEA Advisors operational performance guides for 2024. They are not based on average performance, but best of class performance and are achieved by numerous KEA customers.

For more information please contact KEA Advisors at [info@keadvisors.com](mailto:info@keadvisors.com)

Description	Guide
<b>Parts Department Continued</b>	
Counter Gross % (includes wholesale)	28%
Customer Pay Repair Order Gross%	32%
Warranty Gross %	24%
Internal Gross %	28%
Total Gross %	30%
Personnel Expense % Gross	45%
Personnel Expense % Sales	13.5%
Cost of sales per person (total department headcount)	\$55,640/month per person
Semi Fixed % of Gross	12%
Semi Fixed % of Sales	3.6%
Net freight expense % Gross	<0%
Fixed % of Gross	11%
Fixed % of Sales	3.3%
Total Expense % of Gross	68%
Total Expense % of Sales	20.4%
Net as % of Gross	32%
Net as % of Sales	9.6%
Gross Inventory Turns	8
<b>True Inventory Turns</b>	<b>6.5</b>
Days Supply of Inventory	45
<b>First-time fill-rate from inventory</b>	<b>90%+</b>
<b>Gross Return on Inventory Investment</b>	<b>342%</b>

<b>Net Return on Inventory Investment</b>	<b>110%</b>
Inventory Obsolescence	<2% >12 months no sale
Months No sales vs Months No Receipts	<2% > 12 months no sale
Fixed Expense Allocation	33%
Piece counts variance (absolute value)	<2%
Inventory cycle counts	4 times/year
Inventory integrity review	Daily
Demand integrity review	Daily
Lost sales (transactions)	4 per day
Dirty cores	none over 30 days
Dirty core vs liability	100% credit vs vendor available
Inventory Reset and Review	Quarterly
<b>Service Department</b>	
Customer Gross %	78%
Warranty Gross %	75%
Internal Gross %	78%
Machine Earning	90%
Sublet	20%
Total Gross %	74%
Personnel % Gross	38%
Personnel % Labor Sales	28%
Semi Fixed % Gross	16%
Semi Fixed % Labor Gross	12%
Fixed % Gross	12%

Fixed % Labor Sales	9%
Total Expense % Gross	66%
Total Expense % Labor Sales	49%
<b>Net as % Gross</b>	<b>34%</b>
<b>Net as % Labor Sales</b>	<b>25%</b>
<b>Return on Technician Investment</b>	<b>114% x (ELR - Avg Tech Rate)</b>
Technician Productivity	95%
Technician Efficiency	120%
Technician Proficiency	114%
Facility Utilization	85% 1 shift, 65% 2 shifts 50% 24/7
Unapplied Time as % of Sales	<2%
Policy as % of Gross	<2%
Gross Effective Labor Rate	95%
Hrs. per customer RO (HD)	5-7
Hrs. per customer RO (MD)	4-6
Customer Parts to Customer Labor	1.1:1
Fixed Expense Allocation	42% (w/ body shop change to 28%)
WIP Days supply	16hrs per tech
Reconcile tech time daily to actual payroll time	Daily
<b>RO open to first punch</b>	<b>&lt;2 hour</b>
<b>RO first punch to last punch</b>	<b>&lt;FRH x 2</b>
<b>RO last punch to close</b>	<b>&lt;2 days</b>

<b>Body Shop</b>	
Customer Gross %	78%
Warranty Gross %	75%
Internal Gross %	78%
Sublet	20%
Paint and materials	40%
Total Gross %	68%
Personnel % Gross	48%
Personnel % Labor Sales	33%
Semi Fixed % Gross	16%
Semi Fixed % Labor Sales	11%
Fixed % Gross	12%
Fixed % Labor Sales	8%
Total Expense % Gross	76%
Total Expense % Labor Sales	52%
<b>Net % of Gross</b>	<b>24%</b>
<b>Net as % of Labor Sales</b>	<b>16%</b>
<b>Return on Technician Investment</b>	<b>123% x (ELR - Avg Tech Rate)</b>
Technician Productivity	88%
Technician Efficiency	140%
Technician Proficiency	123%
Unapplied Time as % of Sales	<2%
Policy as % of Gross	<2%
Fixed Expense Allocation	14%
WIP Days supply	40hrs / tech
Reconcile Technician time daily to actual payroll time	Daily

Description	Guide
<b>Used Truck</b>	
Gross Profit % Sales (combined wholesale & retail)	10%
Personnel/Variable Exp.% Gross	50%
Personnel/Variable Exp. % Sales	5.0%
Semi Fixed % of Gross	15%
Semi Fixed % of Sales	1.5%
Fixed % of Gross	15%
Fixed % of Sales	1.5%
Total Expense % of Gross	80%
Total Expense % of Sales	8.0%
Net as % of Gross	20%
Net as % of Sales	2.0%
Advertising % of Gross	3%
Inventory Turns (\$ and #)	6
Inventory Aging	<120
<b>Gross Return on Inventory Investment</b>	<b>67%</b>
<b>Net Return on Inventory Investment</b>	<b>13.3%</b>
Fixed Expense Allocation	8%
<b>Days to front line ready (without major body reconditioning)</b>	<b>&lt;10 days</b>
<b>Review of cost to market value (per unit)</b>	<b>Monthly</b>
Review of asking price to retail market asking price (per unit)	Monthly
Review of activity by unit	Monthly

<b>New Truck</b>	
Gross Profit % Sales	6%
Personnel/Variable Exp. % Gross	50%
Personnel/Variable Exp. % Sales	3.0%
Semi Fixed % of Gross	15%
Semi Fixed % of Sales	.9%
Fixed % of Gross	15%
Fixed % of Sales	.9%
Total Expense % of Gross	80%
Total Expense % of Sales	4.8%
Net as % of Gross	20%
Net as % of Sales	1.2%
Advertising % of Gross	3%
Inventory Turns (\$ and #)	6
Inventory Aging	<360
<b>Gross Return on Inventory Investment</b>	<b>38%</b>
<b>Net Return on Inventory Investment</b>	<b>7.7%</b>
Fixed Expense Allocation	17%
<b>Awareness rate %</b>	<b>70%</b>
<b>Participation rate %</b>	<b>90%</b>
<b>Closing rate %</b>	<b>75%</b>
<b>F&amp;I</b>	
<b>New Penetration</b>	<b>40%</b>
<b>Used Penetration</b>	<b>60%</b>