DealersEdge® EXECUTIVE SUMMARY

Turn Your Dealership Data Into Better Decisions And Higher Profits Part 1

July 16, 2026

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Most dealerships collect enormous amounts of data, but few managers know how to use that information to make better decisions.

Our presenter today is Brooke Samples, president of Profit Blueprints.

Brooke is one of the automotive industry's leading experts in dealership accounting, financial analysis, forecasting, and performance improvement.

She has spent years helping dealer principals, general managers, controllers, and department managers better understand their numbers, and more importantly, how to use those numbers to boost the bottom line.

In this two-part webinar, you'll learn how high-performing dealerships use benchmarks, trends, and leading indicators to spot opportunities, solve problems, and improve profitability across every department.

Designed for dealer principals, GMs, controllers, and department managers, this webinar is for anyone who wants to move beyond simply reviewing numbers and start using them to develop their departments.

Part one is understanding the data.

Attendees will learn how to:

- Identify the benchmarks that matter most.
- Recognize profit leaks before they become major problems.
- Use trends and leading indicators to predict performance.
- Find the stories hidden inside financial statements.
- Turn dealership data into practical management tools.

Your numbers are already telling a story, learn how to read it before your competitors do.

INTRODUCTION **Page 2**

Understanding your financial statement reveals hidden profit opportunities.

This session covers reading data, avoiding five common interpretation mistakes, and follows three Paradise Motors managers, Jeff, Jennifer, and John as they learn which numbers truly matter.

FROM DATA TO PROFIT **Page 3**

A four-step roadmap; goals, benchmarks/KPIs, targets, daily behaviors turns data into profit.

Learn to spot real trends versus fluctuations, calculate profit opportunities using KPI Gap × Financial Basis analysis (Jennifer's story), and understand why managers need financial statement access to catch hidden errors, as John's misclassified $5,000 entry demonstrates.

INDICATORS **Page 7**

Leading indicators (website traffic, appointments, engagement) provide early warnings before problems hit financial statements, enabling early intervention.

Future indicators: reviews, turnover, demographics, consumer trends shape long-term goals.

Both indicators require proactive monitoring and addressing issues before they become bigger problems.

RECAP **Page 8**

A recap of five steps: identify critical KPIs, establish targets, verify data accuracy, use root cause analysis, and build action plans.

Also covers watching leading indicators (appointments, sales, staffing, reviews) toward goals, plus celebrating wins, and adjusting processes as opposed to lowering standards when targets fall short.

COMMON MISTAKES **Page 9**

Five common data mistakes

Misinterpreting numbers (Jeff's hidden costs skewed retention rates)

Missing the big picture (hidden wholesale losses)

Skipping root-cause analysis (inventory shortages, warranty chargebacks)

Manipulating metrics through selective logging.

Making unnecessary changes without first understanding what's actually driving the problem.

CONCLUSION & CONTACT INFO **Page 11**

This webinar covered identifying opportunities by using benchmarks and targets.

Next week we delve into turning opportunities into profit through KPIs, root-cause analysis, and action plans.

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INTRODUCTION

Whether you're a department manager, controller, general manager, or dealer principal, one skill stands out for its ability to boost your value to your dealership and your career.

Understanding the financial statement and the profit opportunities hidden within it!

Every decision you make, every repair order closed, every vehicle sold, every part priced, every expense approved eventually shows up on that financial statement.

This session, Part 1, lays the groundwork for using your data to your advantage.

More importantly, you'll learn to recognize five common mistakes managers make when interpreting their numbers.

In Part 2, we'll take the next step: using those numbers to quantify profit opportunities, uncover the root cause behind poor performance, and build practical action plans.

When you learn to read the story your data is telling, you become more valuable.

Why Understanding Your Data Matters

Why does it matter?

The easy answer is that you make better business decisions and increase your department's profitability.

But there's so much more.

You'll have better conversations with the controller, the executive team, your co-managers, and your employees as you rally them to meet your goals.

There's more opportunity for career advancement, and probably a little bump in bonuses.

Data is a tool that makes your job more rewarding, engaging, and often fun, because you won't dread the financial statement.

In fact, you'll look forward to it, because every month is just another opportunity to improve.

Three Managers

Meet three managers who are going to help transform Paradise Motors and a bonus player.

1. **Jeff.** He's been there two months. His concern is that the Service department is losing money.
2. **Jennifer**, the Finance manager. She's been here four years. Her concern is that average finance gross profit per retail unit has dropped $300 in three months.
3. **John**, the Parts manager, who started as a parts delivery driver. He's seen his commission check drop significantly this year, even though his internal reports show things are good.
4. **There's one more person out there — you.** Think about a concern of your own, something you want to work on, because we're going to cover some basics today.

All three managers, the three "J's", want to get a handle on their numbers and see where they can improve.

And as you know, you can measure anything, but the key is knowing which data deserves your attention.

When you know what numbers to use, profits improve, and life is good.

The numbers tell you what happened. Then it's up to you to decide what happens next.

This is the roadmap we'll follow over the next couple of weeks.

- We'll start with the goal.
- Then dig into benchmarks and KPIs (key performance indicators)
- To identify targets.
- Create action plans to
- Get results.

SETTING GOALS, KPIs & TARGETS: THE ROAD FROM DATA TO PROFIT



Step 1: Identify Your Goal

Everything starts with a goal.

Think of it this way: if you say "let's go on vacation" without knowing the destination, nobody packs the right stuff.

Goals work the same way, they define the big picture of where your team needs to go.

Jeff's original goal was simple: *"Increase service gross profit."*

Not bad but compare it to a sharper version: "*Increase service gross profit by $240,000 annually."* Adding a timeframe turns a wish into a target.

Numbers alone don't tell the story, though.

Selling 100 cars last month sounds great but not if you normally sell 450.

Numbers only mean something with context.

Once the goal is set, the next question is: *how do we get there?*

That's where targets come in, they define the specific performance levels you need to hit along the way.

Step 2: Benchmark and KPIs

Before setting targets, you need to know where you stand.

That means benchmarking against the industry average and top performers.

Benchmarks come from three main sources:

- **External sources** — factory data, peer performance, 20 Group composites, NADA, and AI tools
- **Consultants** — advisors like Brooke, along with accountants, who track data across clients and identify top performers.
- **Internal benchmarks** — your own historical trends and your dealer group's performance

Together, these sources show what's needed to reach your goals and how much progress is required from each employee or department.

A benchmark is a guide, not a goal.

It shows what top performers do and how you compare but not why a particular store is profitable or how its accounting works.

In short, benchmarks show you what's possible, not how to get there.

Start with a benchmark, from whatever source you choose, but understand how it's calculated before comparing yourself to it.

Then measure your current performance against it to find the gap.

From there, build your own KPIs.

They can match the benchmark, exceed it, or fall below it but whatever it is the goal is to fit your store's reality.

The next decision is, should the KPI be ambitious or realistic?

Step 3: Define Your Targets

With KPIs in place, it's time to set targets.

What makes a good target?

A target tells you what to do every day to reach your goal.

If it doesn't drive daily action, drop it because a target only matters if it changes what someone does tomorrow.

Bigger goals usually require multiple targets, but each one should stay narrow and focused, so employees know exactly what's expected of them.

Good targets are short-term and time-bound i.e., weekly, but no longer than monthly.

Pushing the timeframe out to 90 days causes people to tune it out.

Step 4: Define Daily Behaviors

This may be the most important step, translating KPIs into daily behaviors.

The key is linking KPIs to team or individual goals.

For example:

- How many units does a salesperson need to sell?
- How many "ups" do they need in a day?
- How many repair orders does a service advisor need?

Review these numbers constantly, daily, weekly, per pay period, monthly, and quarterly.

You almost can't check them too often.

Make KPIs visible because they only motivate if people can see it.

Whiteboards that employees can relate to and are updated frequently work especially well.

Take Jeff's whiteboard for example:

- **Customer-pay ROs:** Target is 600 for July; he's tracking 616. The team feels good about that.
- **Sales per RO:** Only at 61% of the $351 target.
- **Upsells from multi-point inspections:** Target is 50%, but they're hitting just 20%.

Targets keep you on track, but if it's clear a goal can't be reached, don't lower the goal, adjust the action steps instead.

The best way to identify a target before it fails is to watch the trend; month-over-month, year-over-year, week-over-week, even day-over-day.

Is performance improving or declining?

And is it a real trend, or seasonal, an accounting error, or another anomaly?

For seasonal dips, spotting them early gives you time to find the root cause and correct course.

Brooke was asked *How do you tell the difference between a real trend and normal business fluctuation?"*

She observed that she looks at it as a percentage of gross profit rather than a raw dollar figure because that makes the trend easier to spot.

One method is to set a target threshold, say a 5–10% change from the previous month.

If a number moves beyond that, it triggers a flag because in a healthy account, things should stay fairly consistent month to month.

Jennifer's Story: Turning a KPI Gap Into Dollars

Jennifer, being in finance, understands trends well and she doesn't like what she sees.

since the start of the year her per-unit profit has dropped more than $300 from $1,832 in January to $1,500.

So, what does that drop from $1,832 to $1,500 actually mean for Jennifer?

There's a classic, universal formula for turning a KPI gap into a real dollar figure:

Profit Opportunity = KPI Gap × Financial Basis

(For anyone with the accounting guide, this topic gets a full 11 pages — including how to calculate it alongside your KPIs.)

Here's how it works:

1. Take your benchmark or KPI (usually a dollar amount or percentage).
2. Subtract your actual number. That difference is your **gap**.
3. Multiply the gap by your **financial basis**, typically units or gross profit, whatever the KPI affects.

Let's run Jennifer's numbers:

- Benchmark: $1,832 (her January number i.e., the one she liked)
- Actual: $1,500
- **Gap:** $1,832 − $1,500 = **$332**
- **Financial basis:** 62 units
- **Profit opportunity:** $332 × 62 = **$20,584/month**

Had Jennifer maintained $1,832 per unit, she'd have generated an extra $20,000+ per month for finance.

In real terms, this drop cost her roughly **$3,000 in May alone** and as much as **$37,000 over a year** if it isn't corrected.

No wonder she's upset about the drop and no wonder she's excited about next week.

We're going to fix that for her.

John's Story: You Can't Fix What You Can't See

Imagine your parents yelling at you about your grades but you've never actually seen your report card.

That's exactly the position Parts Manager John found himself in.

He saw his commission check drop and didn’t know why because he never received the financial statement.

He had no idea what was actually going into the numbers, beyond what showed up in his internal reports.

If managers are denied access to the financial statement they are flying blind.

This directly impacts the bottom line by hobbling their ability to understand why their performance is suffering.

Once John finally got the January through April statements, he didn't need a fancy formula to spot the problem.

The April data processing account was more than double the previous months' average.

(Brooke noted that this is not an unusual occurrence in many dealerships the "data processing" account appears to have become a dumping-ground for things that nobody wants to deal with because "we can't change it" or "we can't impact that.")

So, John started asking questions and found that a $5,000 entry had landed on the parts statement.

Accounts payable assumed that it belonged to the parts department but it in fact belonged to sales.

Without access to the relevant documents, in this case the financial statement, he'd never have caught it, and dealership accounts would not have accurately reflected reality.

So, the moral of the story is Don't Be Afraid To Ask Questions.

Accounting isn't the big bad wolf you might think it is.

But if it is, go to someone else because your financial statement, even if you never look at it, is your report card.

INDICATORS

Leading Indicators: Your Early Warning System

Leading indicators give you real-time visibility into your sales for the month but more importantly, time to adjust marketing, pricing, and strategy before the month ends.

Think of them as a warning system because problems show up in these numbers long before they ever appear on the financial statement.

Some current leading indicators worth watching are:

- **!** Website engagement
- **!** Showroom traffic
- **!** Service appointments
- **!** Maintenance menu packages sold.
- **!** Rising policy expenses

When Brooke talks with managers monthly and asks how business is going, she often hear, *"It's a little slow this month."*

Her next question is always: *"So what's on your list to fix it?"*

Managers can't wait until month-end to complain that things were slow, they need to act while there's still time to change the outcome.

That means having a plan.

Something changed, so what needs to change to turn the numbers around?

For a service department, that might mean checking:

- **?** Are we following up on unsold work?
- **?** Are we following up on special-ordered parts sitting on the shelf?
- **?** Are we addressing open recalls?
- **?** Do we have a social media campaign ready to launch?

It's easy to say business will pick up in two weeks, but the point is to use leading indicators *during* the month, not after it's over.

Future Indicators: Thinking Further Ahead

Future indicators don't require constant attention, but they matter for your bigger-picture goals.

For example, back during COVID in 2021, fewer cars sold meant fewer service visits down the road, and slower service could eventually soften vehicle sales too.

This is why nearly every conversation Brooke has with clients touches on how well the sales department introduces customers to the service department.

Salespeople don't always get excited about this, but the connection is real.

The more customers that come in for service, the more likely they are to buy their next vehicle from you.

Other future indicators to watch:

- **Online reviews.** A rating around 3.5–4 stars will quietly push customers away. That's a fixable problem.
- **Employee turnover.** High turnover means you're constantly losing the relationships your best producers have built with customers.
- **Local demographics.** There's a lot of good planning value in that data.

  Check sites like city-data.com.

  Has your area's population changed over the past 10 years?

  What about income levels or the mix of singles versus married households?
- **Consumer behavior trends.** Interest in EVs, for example, has shifted back and forth and staying ahead of shifts matters.

None of this is about today, but it's about your future, and what you can do now to influence these indicators before they become a problem.

If vehicle sales are down, maybe the answer is deepening your connection with the community, or making sure customers keep coming back to you instead of drifting elsewhere.

There are concrete steps that you can take to shape these future indicators, you just have to start paying attention to them.

RECAP: THE ROAD FROM DATA TO PROFIT

Let's put ourselves back on that road, back at the Target step.

Think about it as an employee or manager working alongside our three managers, Jeff, Jennifer, and John, each with their own goal.

Jeff is working to improve gross profit, Jennifer her F&I performance, and John his net profit.

Here's a quick recap of what we've covered so far.

1. **Identify the critical KPIs.**

Not every number deserves equal attention.

The biggest mistake a manager can make is trying to manage 15 metrics when only a handful actually drive performance.

2. **Establish targets.**

   Every goal has one or two, sometimes more KPIs that most directly influence the outcome.

   For example: increasing service gross profit through higher sales per repair order or boosting upsells from multi-point (or video) inspections.

3. **Confirm that your data is accurate.**

   Bad data leads to bad decisions.

   If accounting is coding things into the wrong account, you can't make a rational call.

   That's why it's worth asking accounting directly what's driving a number and if you can't get a straight answer, go higher up.

   You're responsible for your department, and for your dealership so you need that information.

4. **Root cause analysis**

   (a preview of what we'll cover next week) tools like the 5 Whys, fishbone diagrams, and drill-down analysis.

5. **Build action plans.**

   This is less intimidating than it sounds just answer *Who's involved? What needs to be done? What resources are required?*

6. **Watching Leading Indicators**

   Say the goal is to grow service gross profit by 18%. If I were Jeff, I'd watch:

7. **Future appointments**

   if we're not booking new and used customers ahead of time (as we should be, and as the factory wants), a look at September and October's calendar with nothing on the books tells us we're already behind.

8. **Vehicles sold**

   A slowing sales department will eventually drag on this goal too.

9. **Technician headcount**

   Are we gaining or losing techs?

10. **CSI scores and Google reviews**

    Both can quietly impact an 18% growth goal.

Track your KPIs and watch the trends as you work toward the goal.

Celebrate Success

It's not fair to set a goal for your team and never celebrate hitting it.

When something improves, ask what caused it.

Maybe every customer started getting a test drive. Great! Now how do we make that process even better? There's always room to improve.

And on the flip side, what isn't working?

The fix isn't to lower the goal, it's to ask what needs to change.

What flexibility is needed? What process needs improvement?

FIVE COMMON MISTAKES IN DATA ANALYSIS

1. **Wrong interpretation.**

   Jeff was fairly content with a 74% customer-pay labor retention rate until he dug deeper and discovered that $12,000 in coupons had been buried in advertising expense.

   (Would the sales department ever discount a car $3,000 and quietly file it under advertising to protect their gross profit? Of course not.)

   He also found $3,200 in hourly tech wages for oil changes and maintenance filed under "salaries other", again, would sales bury an accessory install anywhere but against gross profit? Not likely.

   Once those numbers were corrected, pulling the $12,000 out of sales and adding the $3,200+ into cost of sales, Jeff's real retention rate was 66%, not 74%.

   That's a much bigger mountain to climb.

   But instead of getting discouraged, Jeff treated it as a challenge.

   (One added concern, are service advisors being paid off of an overstated sales figure with numbers like this buried in advertising? Worth checking.)

2. **Not looking at the big picture.**

   A general manager who'd done great work at one store was transferred to a sister store and emailed me an interesting discovery.

   You can make wholesale profit look great simply by never wholesaling your problem units.

   He'd found $40,000 in hidden wholesale losses.

   The numbers looked good on the surface, but a wave of receivables write-offs and excess inventory were waiting underneath.

   So, always look at the full picture, not just the flattering parts.

3. **Not digging for root causes.**

   Most managers understandably are quick to accept numbers that beat their target.

   In one case, internal parts retention was running above 50%, which seemed almost too good to be true.

   The explanation given was that they were buying cheaper aftermarket parts while charging standard rates.

The math never quite added up and eventually a physical inventory revealed a roughly $100,000 shortage because those aftermarket parts had been logged in the DMS at zero cost.

All that "extra" gross profit was really inventory waiting to be written off.

This also applies to dismissing a single bad month and saying, *"we'll see how next month goes."*

But a bad month is usually a signal that something's wrong, and if it's not addressed, it carries forward.

One example was when warranty parts retention dropped 8% in a single month.

Averaged over a year, that dip barely registers but instead of shrugging it off, a sharp-eyed parts manager investigated and found a major warranty chargeback tied to missing spark plugs on an engine claim.

Because he'd kept photo documentation (a habit built from years of dealing with the manufacturer), he was able to recover the money.

If he'd dismissed it as "just one month," that recovery never happens.

4. **Manipulating the numbers.**

   Want a 50% closing ratio? Just stop logging every "up."

   Want a 99% parts fill rate? Stop logging lost sales.

   Numbers can be gamed, and we need clean, honest numbers to know where to actually focus our time and energy.

5. **Making unnecessary changes.**

   Cutting pay plans because they *"seem too high"* without confirming that payroll is properly allocated to the right department.

   Raising labor rates or tightening the parts matrix as a blanket fix.

   Throwing money at advertising when the real issue is how customers are being treated.

   Slow down before making changes like these and understand the real cause first.

CONCLUSION

Today we covered how to identify opportunities through benchmarks and targets.

Next week we'll be turning those opportunities into profit.

Establishing KPIs, calculating profit improvement opportunities, root cause analysis for underperforming metrics, department-specific action plans, and using AI alongside your own experience to reach your goals.

In the meantime, start your own list of areas that need attention, and keep it handy for next week's session.

Questions before then? Email me at profitblueprints@gmail.com.

Great managers don't chase numbers. They improve the people, the processes, and the decisions that create those numbers.



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