Turn Your Dealership Data Into Better Decisions And Higher Profits

BROOKE SAMPLES, PRESIDENT

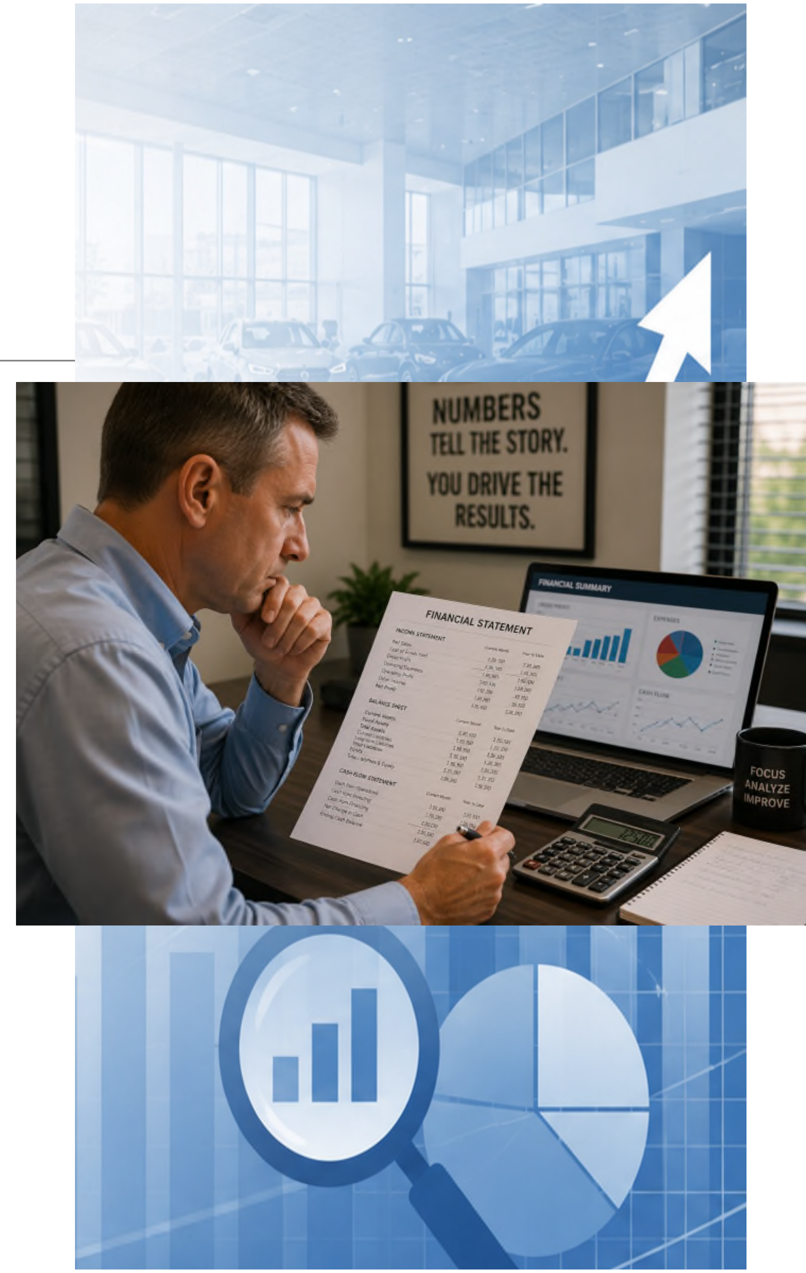
PROFIT BLUEPRINTS, LLC

Why Understanding Your Data Matters

Like The Title States:

You Make Better Business Decisions

Increase Your Department's Profitability



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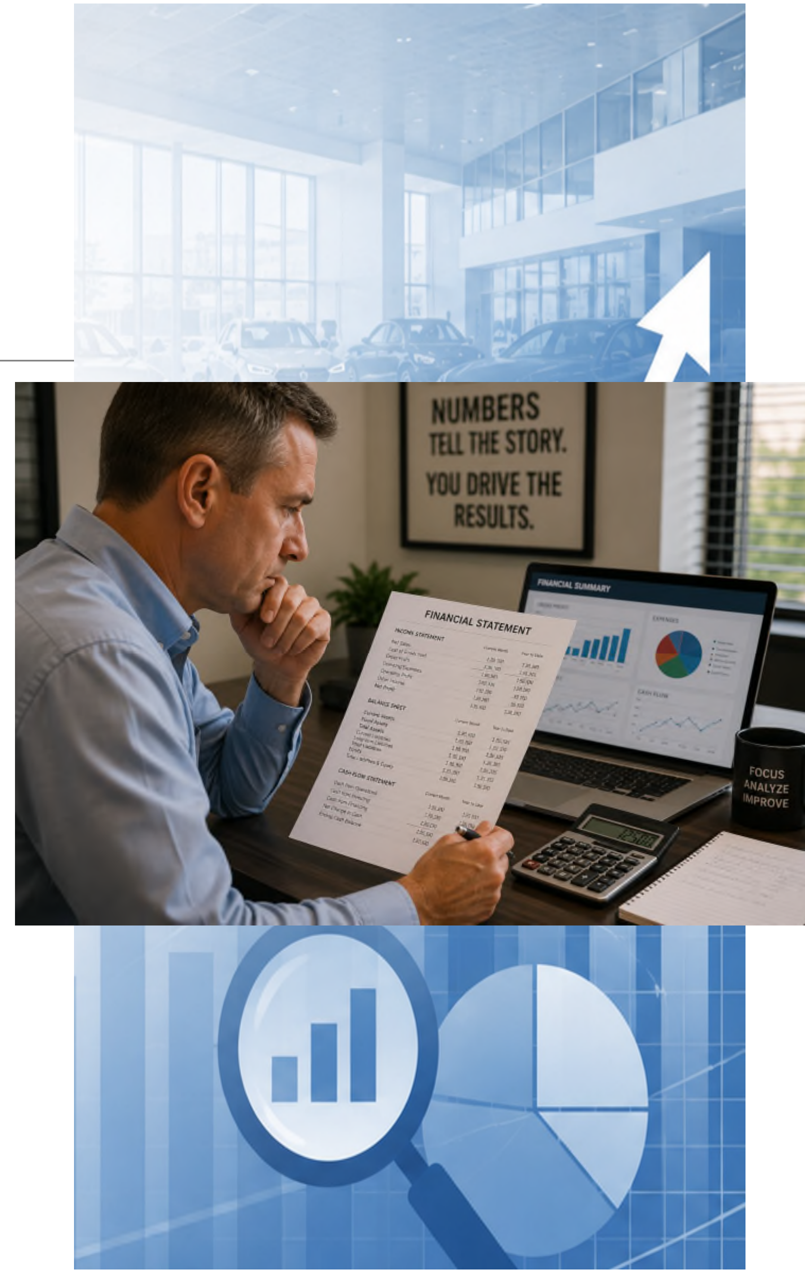


But You’ll Also:

Replace "I Hope" With "Here’s The Plan”

Better Conversations …

Rally Employees To Meet Goals

More Opportunity For Career Advancement

Make Your Job More Rewarding & Engaging

You Won't Dread The Financial Statement— You’ll Look Forward To It Because Every Month Is Another Opportunity To Improve

Meet Three Managers From Paradise Motors

Jeff: Service Manager **Tenure:** 2 Months

Concern: The Service Department Is Losing Money

Jennifer: Finance Manager **Tenure:** 4 Years

Concern: The Average Finance Gross Profit Per Retail Unit Has Dropped $300 In 3 Months

John: Parts Manager **Tenure:** 13 Years

Concern: John Has Seen His Commission Check Drops Significantly This Year

Title:______________________________

Tenure:____________________________

Concern: __________________________

All Managers Agree They Need To Get A Handle On Their Numbers

You Can Measure Anything

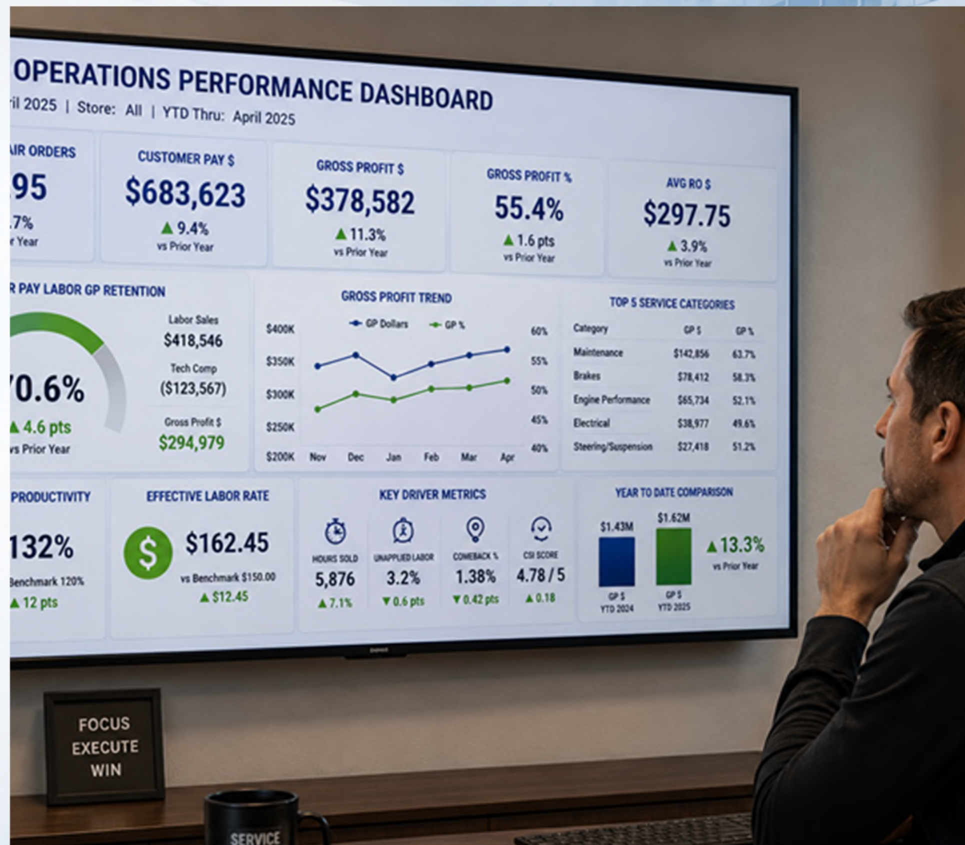
The Problem Isn't A Lack Of Data

The Problem Is Knowing WHICH DATA DESERVES YOUR ATTENTION!

When You Know Which Numbers To Use - Profits Improve & Life is Good

Numbers Tell You What Happened

You Decide What Happens Next




THE ROAD FROM DATA TO PROFIT
A Strategic Roadmap to Turn Data into Measurable Business Value
1
1. GOAL
Define the business outcome you want to achieve.
Start with CLEAR goals tied to profit.
2
2. BENCHMARKS AND KPIs
Identify the key metrics that will measure progress toward your targets.
Use benchmarks and KPIs to provide clarity and focus.
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3. TARGETS
Set specific, measurable targets that define success.
Make your targets challenging but achievable.
4
4. DAILY ACTIONS
Take consistent, focused actions every day that move the metrics.
Small actions, done daily, create big results.
5
5. RESULTS
Track results, celebrate wins, and learn.
Use results to refine and drive continuous improvement.
PROFIT
Sustainable growth through smarter, data-driven decisions.
STAY THE COURSE
Success comes from following the roadmap—step by step, with focus and discipline. Every turn moves you closer to measurable profit.
START


GOALS
Define A Direction For
Your Team To Work Toward
Goals Come From
Looking At
The Big Picture

If You Don't Know Where You're Going, Any Road Will Get You There.

Lewis Carroll

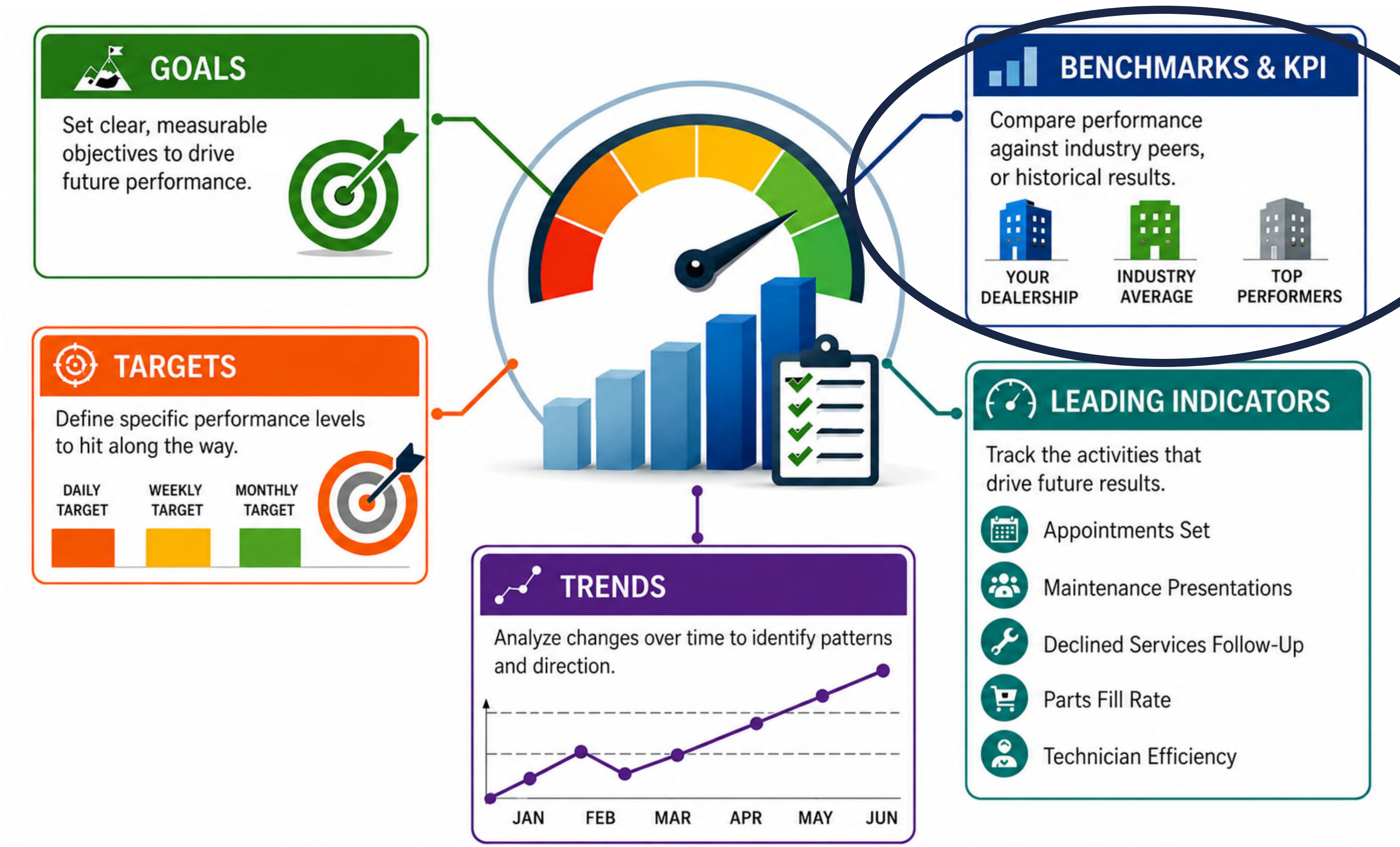
Jeff

Bad Goal **-** Increase Service Gross Profit

Better Goal **-** Increase Service Gross Profit by **$240,000** annually

Numbers Can't Stand Alone

Put Your Data Into Perspective



Where Do Benchmarks Come From?

External Benchmarks

Factory Data
Peer Performance
20 Group Composites
NADA
Artificial Intelligence
Consultants
Accountants

Internal “Benchmarks”

Key Performance Indicators (KPI)

Your Trends
Your Dealer Group
What’s Needed To Reach Your Goals
Progress Of Individuals,
Or Department

The 3 J’s Will Need Both to Be Their Best!

Use Benchmarks
As A Guide, Not a Goal

Benchmarks Tell You
What "Top Performers" Do
& How You Compare

Benchmarks Show You
What Is Possible!

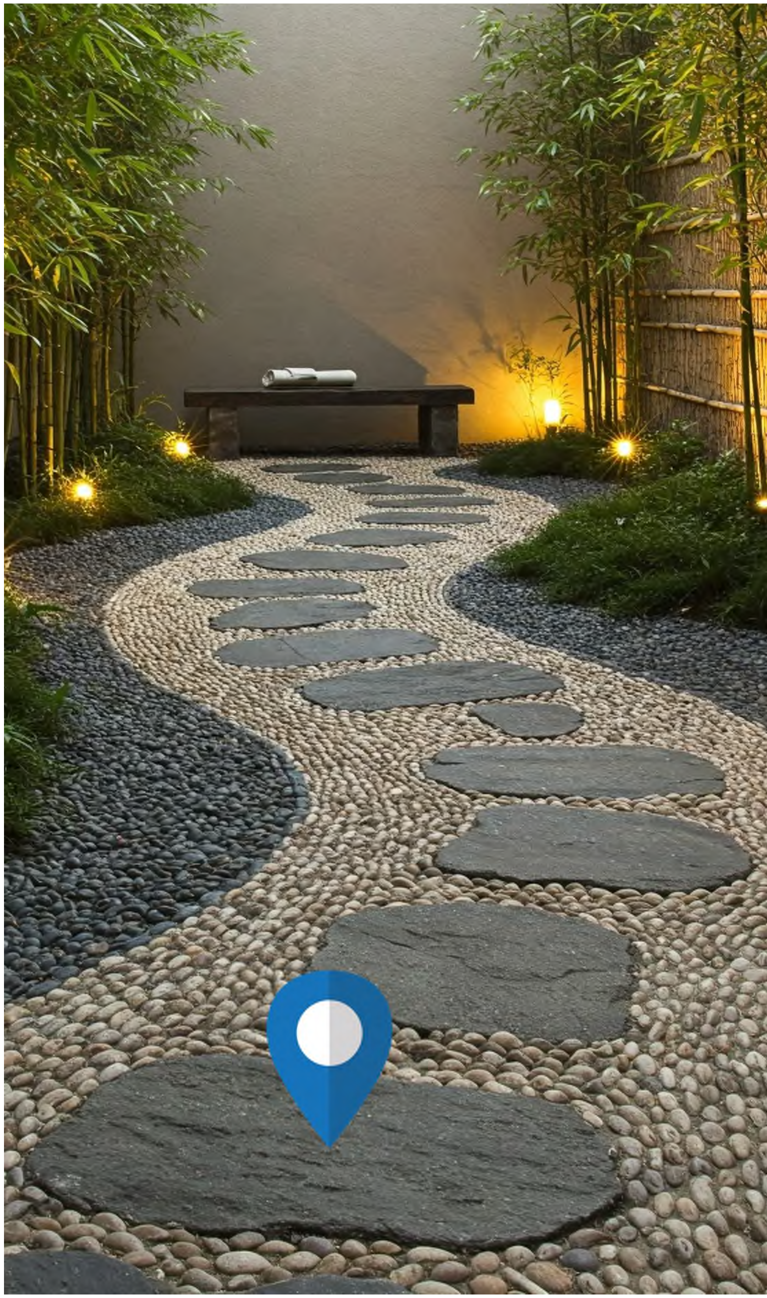
Benchmarks Don't
Show You How To Get There

You Don't Know How Profitable
A Particular Store Is Or Anything
About Their Accounting Processes

From Benchmarks to Key Performance Indicators (KPI)

1) **Start With The Benchmark – Understand What It Means & How It Is Calculated**

2) **Compare Your Current Performance To The Benchmark To Identify The Gap**

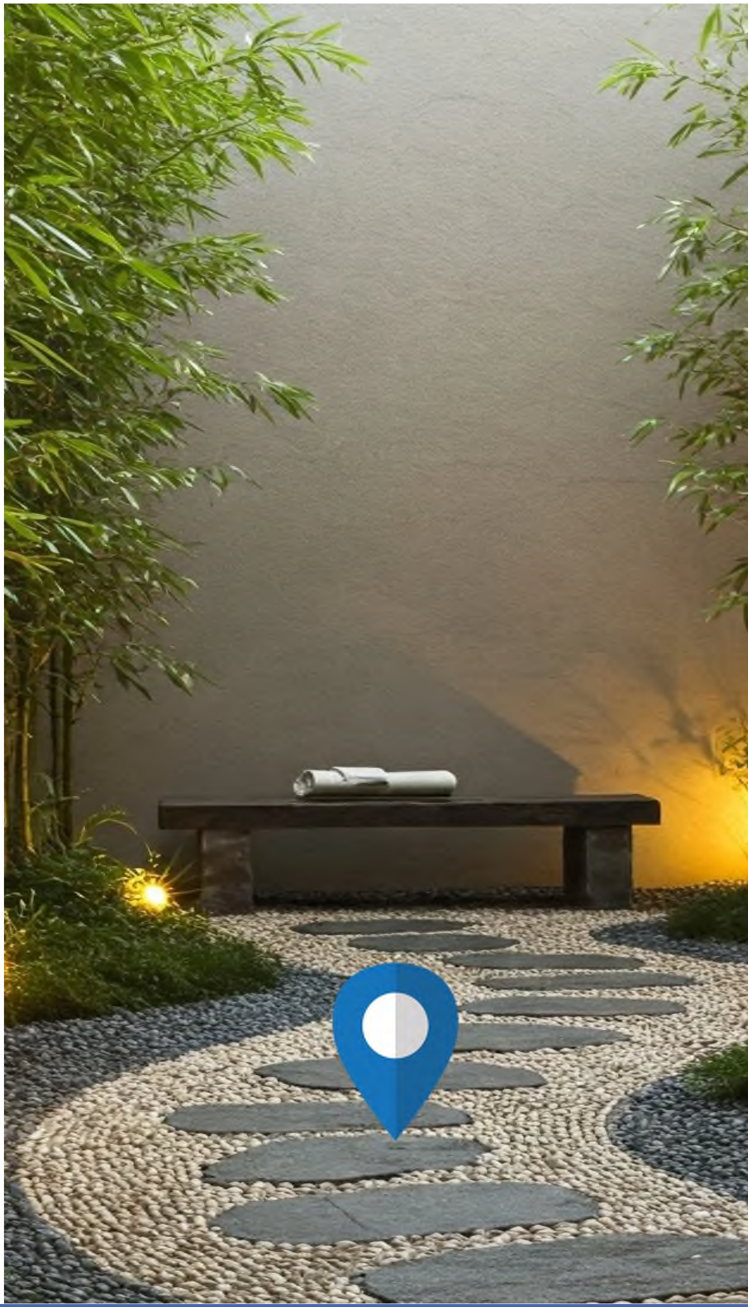


From Benchmarks to Key Performance Indicators (KPI)

3) Create Your Own KPI: Benchmark =/**+/-**

Adjust For Your Store's Reality

Will the KPI Be Ambitious
Or Realistic? (Days Supply of Inventory)

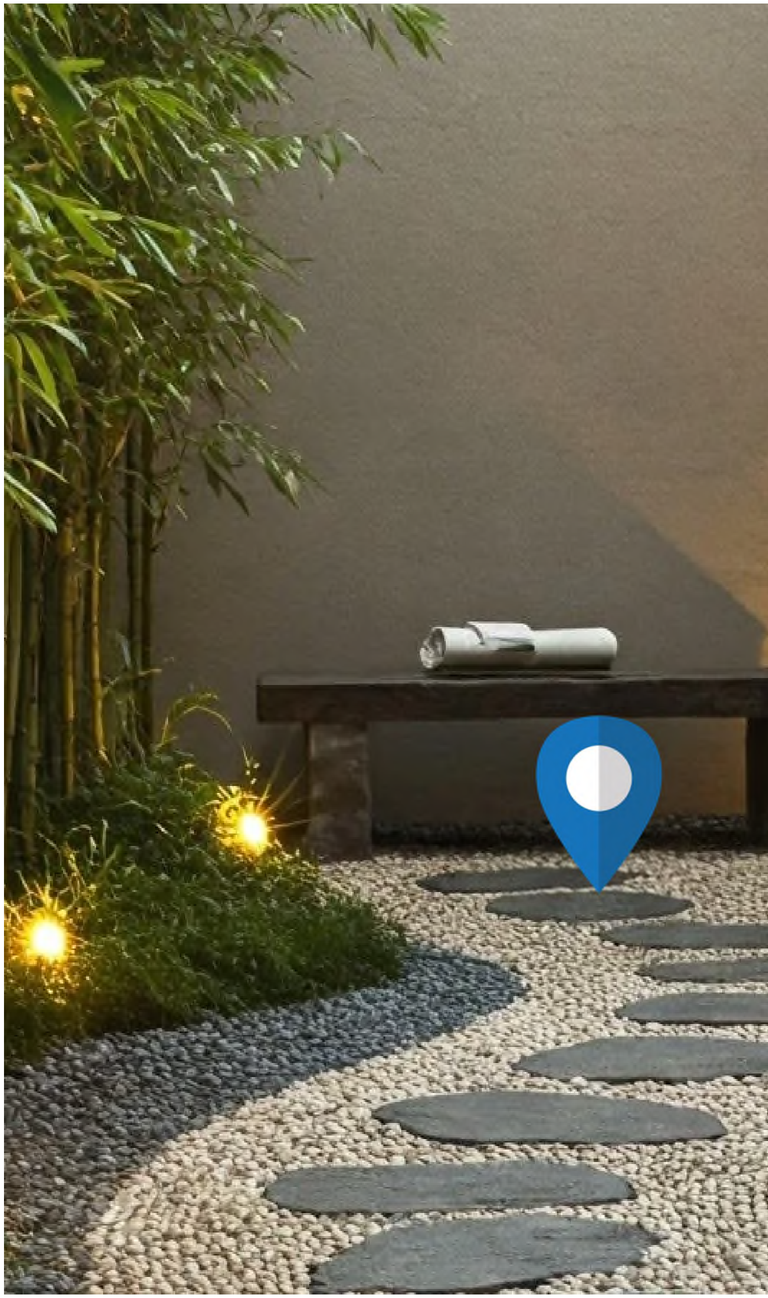


From Benchmarks to Key Performance Indicators (KPI)

4) Define Behaviors and Targets – What Must Happen Daily

5) Link The KPI To Team/Individual Goals

6) Review Consistently – Daily, Weekly, Pay Period, Monthly, Quarterly



Use KPIs As Daily Management Tools

Visible, Simple, Updated Frequently

Use KPIs As Daily Management Tools

Visible, **Simple, Updated Frequently**

July 2026	MTD	Tracking	Target
# of Customer Pay ROs	421	617	600
Total Customer Pay Sales	$89,484	$131,243	$210,600
Sales Per Repair Order	$212.55	$212.55	$351.00
Percent of Target	61%	61%	100%
Upsells From MPI/MPVI	84	123	300
% of CP ROs	20%	20%	50%

Show KPIs That Employees Can Relate To & See How They Can Make A Difference

Use Targets
For Higher Profits

Targets

Your Targets Serve The Goals

Targets Tell You What To Do <u>Every Day </u>To Reach The Goal

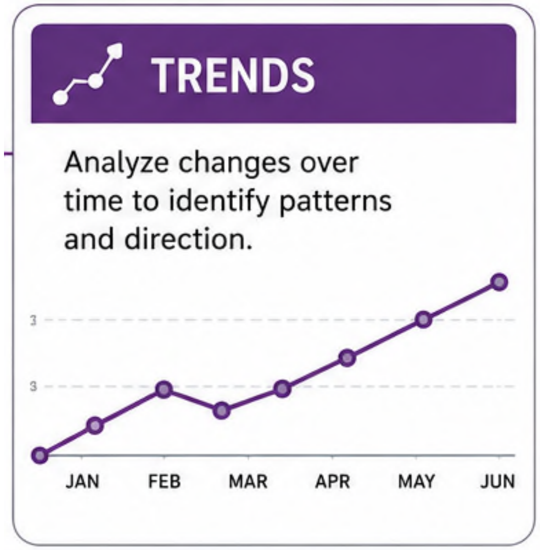
A Target Only Matters If It Changes What Someone Does Tomorrow

Targets

- **Multiple Targets Are Necessary To Reach Your Big Goals**
- **Narrow And Focused**
- **Short-Term And Time-Bound**
- **Targets Help You Stay On Track**

Trends Matter More Than Monthly Data

- Month-Over-Month
- Year-Over-Year
- Seasonal Patterns



Is A Number Improving Or Declining?

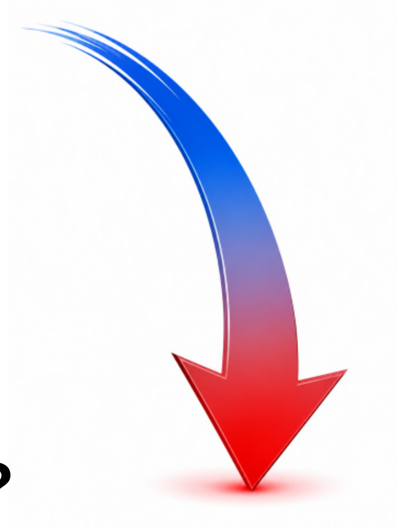
Is This Month An Anomaly,
Or An Accounting Mistake?

Understand The Trends

PARADISE MOTORS	January	February	March	April	May
Total New Vehicle Finance Income	$102,600	$ 98,500	$ 99,700	$ 95,311	$92,980
# of New Vehicle Sold	56	54	58	60	62
F/I Per NVR	$1,832	$1,824	$1,719	$1,589	$1,500

Jennifer

Per Unit Has Dropped More Than $300 PNVR Since The First Two Months Of the Year



What Does This Mean To Jennifer?

Calculate Your Profit Opportunity

Profit Opportunity = KPI Gap × Financial Base

(A) Benchmark or KPI (Usually a % or a Dollar Amount)

Minus

(B) Your Actual Number = **KPI GAP**

Multiplied by Your Financial Basis

(C) Units or Gross Profit (Financial Basis Affected By KPI)

(($1,832 - $1,500) = $332

Had She Maintained The $1,832, F& I Would Have Generated An Additional **$20,584** A Month

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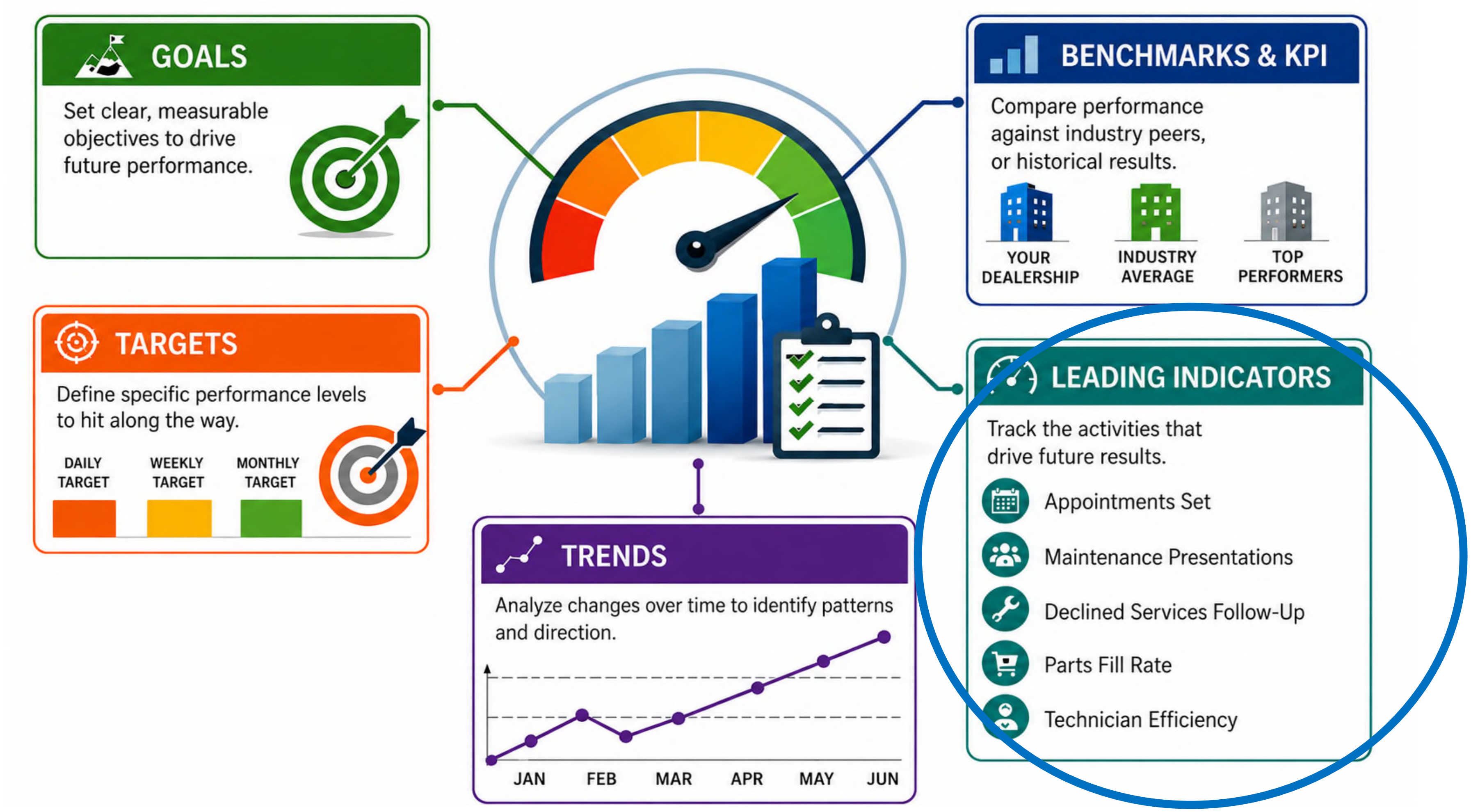
Understand The Trends

John

Account Name	January	February	March	April
Data Processing	$4,434	$4,574	$5,157	$10,198
% of Gross Profit	1.21%	1.38%	1.37%	2.51%

Don’t Be Afraid To Ask Questions!

Use Leading Indicators For Higher Profits



Leading Indicators: The Earliest Warning System In Your Dealership

Leading Indicators Give Real-time Visibility Into Future Sales And Allow You To Proactively Adjust Marketing, Pricing, And Other Strategies *Before* The Month Ends.

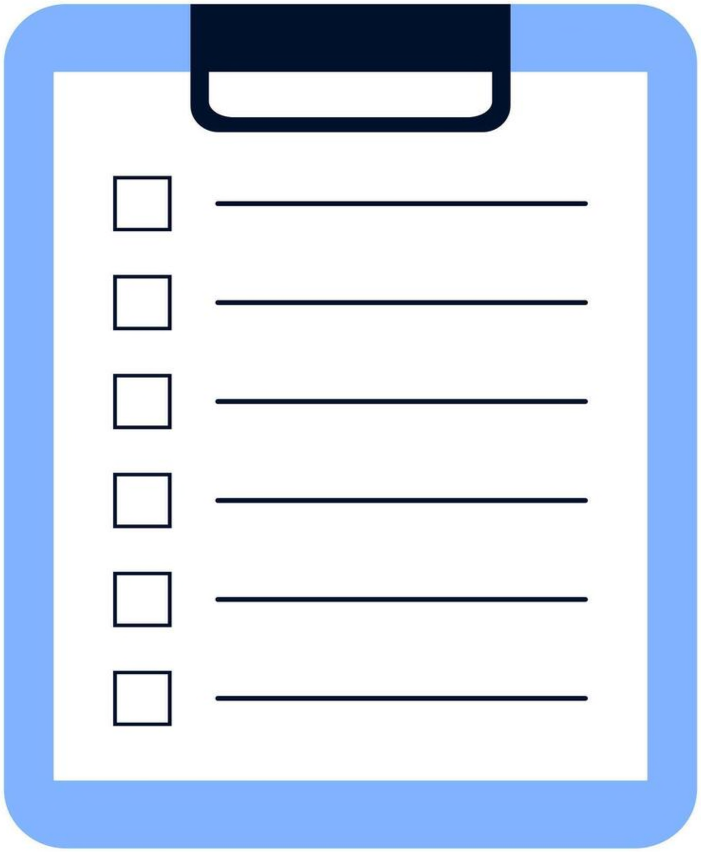
Problems Appear In The Numbers Long Before They Appear In The Financial Statement

Current Leading Indicators

- **Website engagement**
- **Showroom Traffic**
- **Service Appointments**
- **Service Maintenance Packages Sold**
- **Rising Policy Expense**

Don't Wait Until Month-End

Plan Before A Leading Indicator Is Trending In The Wrong Direction



Something Changed – What Do You Need To Change To Improve The Numbers?

FUTURE LEADING INDICATORS

- **Vehicle Sales – Impact on Service Sales**
- **Service Sales – Impact on Vehicle Sales**
- **Google Stars**
- **Employee Turnover - High**
- **Population (www.city-data.com)**
- **Consumer Behavior**

What Can We Do To Change The Impact Of The Leading Indicators?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What Are The 3 Managers Trying To Improve?

1

- Increased Gross Profit
- F & I Per Retail Unit
- Higher Net Profit

2

Identified The **Critical** KPI Measurements

Not All Numbers Deserve Equal Attention. The Biggest Mistake Managers Make Is Trying To Manage 50 Metrics When Only A Handful Truly Drive Performance.

3 Establish The Targets

Every Goal Has One Or Two KPIs

That Most Directly Influence The Results

Example:

Goal: Increase Service Gross Profit to Yield Higher Net Profit

- **Sales Per Repair Order**
- **Upsells From MPI/MPVI**

Identify Where The Data Will Come From & That It Is Accurate

BAD DATA = BAD DECISIONS

4 Use Root-Cause Analysis To Find The Best Plan Of Action

- 5 Whys
- Fishbone Diagram
- Drill Down Analysis

We'll Cover This Next Week

5 Create Action Plans To Improve

- Who Will Be Involved
- What Actions To Take
- What Resources Are Needed To Make Changes?

Look At Leading Indicators That Could Impact Their Goals

6

Goal = Need To Improve Service Gross Profit By 18%

- # Of Future Appointments
- # Of Vehicles Sold
- # Of Technicians
- CSI Scores – Google Reviews

7 Monitor Your Progress

- Track The KPI Numbers
- Watch For Trends
  - Weekly
  - 30-Day
  - 90-Day
  - Year-Over-Year

- **What Improved?**
- **What Actions Caused It?**
- **Can We Improve On Those?**

- **What Isn't Working?**
- **What Do We Need To Change?**

Common Mistakes in Data Analysis

1. **Wrong Interpretations**
2. **NOT Looking At *The Big Picture***
3. **NOT Looking For Root Causes**
4. **Manipulation Of Numbers & Results**
5. **Make Unnecessary Changes**

Common Mistake:
1) Wrong Interpretations

Paradise Motors Service Customer Gross Profit

Paradise Motors April Finacial Statement	
CP Labor Sales	$95,800
CP Gross Profit	$70,892
Retention %	**74.0%**

Paradise Motors April Reality	
CP Labor Sales	$95,800
CP Gross Profit	$70,892
Coupons (Advertising Expense)	**-$12,500**

Common Mistake:

1) Wrong Interpretations

Paradise Motors Service Customer Gross Profit

Paradise Motors April Finacial Statement			
CP Labor Sales	$95,800	**-$12,500**	$83,300
Cost of Sales	$24,908	**$3,250**	$28,158
CP Gross Profit	$70,892		**$55,142**
Retention %	**74.0%**		**66.2%**

How Are We Paying The Service Advisors?

Common Mistake:
2) NOT Looking At The Big Picture

Fun fact: Did you know you can show wholesale profit if you ***never wholesale*** *your problem units?* Ali A.

Common Mistake:

3) NOT Looking For Root Causes

Many Managers Are Eager To:

1) Accept Numbers That Exceed Their Target

2) Dismiss A Number Because *“It’s Only One Month”*

1) Internal Parts Retention % Greater Than 50%

2) Warranty Parts Retention % Dropped by 8%

Common Mistake:

4) Manipulating Numbers

Target: 50% Closing Ratio

Hint: Don't Log Every Up

99% Part Fill Rate

Hint: Don't Log Lost Sales

Common Mistake:
5) Making Unnecessary Changes

- Raise Your Labor Rate
- Bump Up Your Parts Matrix
- Spend Big Bucks On Advertising

Today We Learned **How To Identify Opportunities**

Next Week We'll Learn **How To Turn Those Opportunities Into Profits**

In The Meantime, Make Your Own List Of Areas You Think Require Attention And Keep That List Handy During Next Week's Webinar!

dealersedge.com/dvg5

Next Week

- **Establishing KPIs**
- **Calculating Profit Improvement Opportunities**
- **Root Cause Analysis**
  For Underperforming Measurements
- **Develop Department-Specific Action Plans**

Use Artificial Intelligence And
Your Experience To Reach Your Goals

Great Managers

Don't Chase Numbers. They Improve The People, The Processes & The Decisions That Create The Numbers

See You Next Week

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