

ATD Performance Measurement 2022 Driven Guide

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Driven

NADA MANAGEMENT SERIES

TD08

ATD Performance Measurement 2022

<https://www.nada.org/atd/education-consulting/driven-management-guide/research/atd-performance-measurement-2022-td08>

1. Total Dealership Net Profit % Sales

Net Profit After Bonuses ÷ Total Dealership Sales

Total Dealership Critical Operating Variables (COVs)

		2019		2020		2021	
	ATD Critical Operating Variables	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average
1	Total Dealership Net Profit % Sales	2.77%	6.92%	2.16%	5.91%	5.11%	11.53%
2	Return on Assets	5.10%	8.34%	4.01%	12.28%	9.72%	10.88%
3	Return on Net Worth	24.80%	33.83%	15.32%	28.45%	36.79%	32.63%
4	Percent Assets Owned	20.57%	24.66%	26.15%	43.17%	26.43%	33.35%
5	Total Dealership Sales per Employee	65,317	55,172	60,435	55,583	65,115	45,172
6	Total Dealership Gross per Employee	10,638	11,787	10,470	10,936	12,219	12,138
7	Total Dealership Expense per Employee	8,779	8,037	9,081	7,727	9,246	8,153
8	Total Dealership Expense % Sales	13.44%	14.57%	15.03%	13.90%	14.20%	18.05%
9	Total Dealership Expense % Gross	82.53%	68.18%	86.74%	70.65%	75.67%	67.17%
10	Cash Months Supply	1.70	2.06	3.13	2.29	5.05	7.37

2. Return on Assets

Annualized Net Profit After Bonuses \div (Total Assets + LIFO)

Total Dealership Critical Operating Variables (COVs)

		2019		2020		2021	
	ATD Critical Operating Variables	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average
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10	Cash Months Supply	1.70	2.06	3.13	2.29	5.05	7.37

17. New F&I Income per New Truck Sold

New Truck Finance, Insurance, and Net Other Income ÷
New Truck Units Sold

New Truck COVs

ATD Critical Operating Variables		2019		2020		2021	
		All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average
14	New Truck Sales per New Unit Sold	118,633	113,988	122,732	116,106	135,383	135,513
15	New Truck Gross per New Unit Sold	6,330	6,153	6,553	6,651	8,921	9,914
16	New Truck Gross % Sales	5.34%	5.40%	5.35%	5.71%	6.59%	7.32%
17	New F&I Income per New Truck Sold	680	605	908	865	1,136	1,761
18	New Truck Inventory per Unit	95,497	125,635	86,310	102,052	106,391	110,894
19	New Truck Inventory Turns	2.3	3.3	2.9	3.8	5.9	5.8
20	Net Return on New Inventory	2.19%	8.01%	-0.18%	7.59%	10.99%	24.66%
21	New Truck Sales per Employee	486,751	875,105	408,140	572,457	467,409	577,827
22	New Truck Gross per Employee	25,989	47,228	22,040	33,182	30,816	42,293

29. Net Return on Used Inventory

Used Truck Operating Profit (Used Truck Gross Profit –
Total Used Truck Expenses) Annualized ÷
Used Truck Inventory

Used Truck COVs

ATD Critical Operating Variables	2019		2020		2021	
	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average
23 Used Truck Sales per Used Unit Sold	45,218	56,180	44,358	47,848	57,361	61,409
24 Used Truck Gross per Used Unit Sold	3,097	5,121	2,276	4,836	6,964	7,766
25 Used Truck Gross % Sales	6.85%	9.12%	5.13%	10.11%	12.27%	12.65%
26 Used F&I Income per Used Truck Sold	425	642	450	686	627	642
27 Used Truck Inventory per Unit	37,878	35,047	27,694	26,539	29,210	35,301
28 Used Truck Inventory Turns	1.9	1.8	3.7	3.4	4.8	5.1
29 Net Return on Used Inventory	-7.76%	8.47%	-18.55%	17.73%	22.63%	46.93%
30 Used Truck Sales per Employee	169,596	212,877	194,136	222,655	264,040	282,330
31 Used Truck Gross per Employee	11,940	19,225	10,677	24,186	33,368	41,498

32. Service Customer Labor Sales % Total Labor Sales

Service Mechanical Customer Labor Sales ÷
Service Mechanical Total Labor Sales

Service COVs

ATD Critical Operating Variables		2019		2020		2021	
		All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average
32	Service Customer Labor Sales % Total Labor Sales	68.39%	68.67%	67.04%	65.16%	72.36%	72.87%
33	Service Customer Labor Gross % Sales	74.37%	74.17%	73.85%	74.97%	75.04%	76.80%
34	Service Warranty Labor Gross % Sales	72.81%	74.91%	71.54%	72.64%	71.46%	75.00%
35	Service Internal Labor Gross % Sales	71.25%	70.85%	70.37%	71.14%	70.65%	71.80%
36	Service Sales per Employee	10,933	11,841	11,072	14,592	11,733	13,291
37	Service Gross per Employee	7,661	8,353	7,683	10,320	8,236	9,502
38	Service Absorption	38.39%	45.36%	37.40%	41.72%	39.36%	47.30%

47. Net Return on Parts Inventory

Parts Operating Profit (Parts Gross Profit – Total Parts Expense) ÷
Parts Inventory

Parts COVs

		2019		2020		2021	
	ATD Critical Operating Variables	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average	All-Dealers Average	Best-of-Class Average
39	Parts Gross % Sales	26.85%	27.97%	27.00%	27.44%	27.54%	27.84%
40	Parts Gross % to Break Even	20.22%	15.58%	20.09%	14.25%	19.83%	14.33%
41	Parts Customer RO Gross % Sales	28.38%	28.73%	27.89%	28.41%	27.97%	29.11%
42	Parts Warranty RO Gross % Sales	21.25%	22.37%	21.47%	21.76%	21.47%	21.97%
43	Parts Internal RO Gross % Sales	19.41%	18.02%	20.95%	20.10%	21.93%	19.45%
44	Parts Counter Retail Gross % Sales	25.11%	26.37%	25.02%	26.56%	25.80%	26.02%
45	Parts Wholesale Gross % Sales	22.07%	24.05%	23.09%	21.90%	23.29%	21.37%
46	Parts Inventory Turns	4.6	5.7	4.8	5.1	4.9	5.4
47	Net Return on Parts Inventory	40.35%	95.48%	42.58%	90.94%	50.81%	98.12%
48	Parts Inventory Performance	122.68%	159.65%	128.86%	139.93%	135.78%	150.03%
49	Parts Sales per Employee	50,233	64,766	51,790	67,681	54,338	64,097
50	Parts Gross per Employee	13,488	18,116	13,982	18,572	14,965	17,844
51	Parts Absorption	48.24%	62.96%	48.34%	60.19%	52.77%	61.18%

The Landscape

- Pandemic: While other businesses struggled, truck dealerships were able to pivot and become more profitable than ever.
- Looking to the future, our dealerships want to carefully monitor their COVs for changing trends that they will need to address.
 - Examples:
 - Prices on used trucks are starting to stabilize.
 - Diesel costs are rising, impacting our end users.



Questions?

ATD

