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Managing Automotive Dealer Performance through Scorecards

As the general manager at Universal Motors for dealership network development, executives continually pressure Tobias on the need to compare dealers consistently. They desire to see a single overall score that compares all of the dealership's operations, performance, and viability across the country. Currently, various people throughout the organization utilize different data and different techniques in a desire to manage dealer performance. There are also many experienced individuals that consider themselves experts about how dealerships should be managed and run in his organization, at dealerships, and elsewhere outside his company.

Tobias knows a consistent methodology in assessing past data is vital in providing recommendations to the dealer. Dealers are typically millionaires that have invested heavily in the business and want to improve only if and when it makes sense, so Tobias knows that it requires a persuasive process to impart proper knowledge to obtain change. In the simplest terms, OEMs want to sell cars and dealers want to make more profit through their product/service offerings.¹ He has seen cases where sometimes these objectives are aligned and sometimes they are not.

Having a well thought-through process that is data-driven is Tobias' goal. He would also like the ability to provide case studies, real-life results, and correlations with desired outcomes to add credibility to his solution. Additionally, arming OEM field representatives² with the right tools to discuss dealers' operations will be very helpful in making an impact on sales and profitability performance. This would also help Tobias to estimate differences in geographical areas and to identify required additional investments and actions from the manufacturer to improve brand sales performance.

Tobias has thought that a "scorecard" would be appropriate to delineate the key elements that relate to a single overall dealer performance score. In his mind, it provides a quick/simple overview for OEM executives, it helps compare dealers on a relative basis in the field, and it provides dealers with a high level score that can be "drilled down" to find areas where opportunities may exist. His feeling is that a single overall metric could meet the desires of executives and provide a hierarchy of elements that would "roll up" to this single score, allowing further analysis into the details to be possible to determine the potential causes for good scores, average scores, or bad scores. He could also rank, compare, and show changes in a single score to explain how dealers relate overall. This would provide consistency and allow actions to be

¹ Dealers can generate revenue and achieve greater profit margins on areas outside of new vehicle sales, such as parts and service, and therefore may focus efforts and investment in these departments

² The field force at the OEM is in place to be the touch point of the OEM with the dealer on a regular basis. They meet regularly, reviewing operations, identifying improvements and programs, and discussing inventory purchases.

taken to impact the score through a common knowledge amongst the field staff of the manufacturer and the dealers.

The challenge for Tobias, however, is in creating such a scorecard. There are many data elements that exist for each dealership department that are from a variety of business units around the OEM organization.³ Dealer performance, financial, and customer satisfaction data all come from different sources and would be a challenge to blend and communize, given that many outside suppliers gather and store the information.⁴ He would the scorecard to be “balanced and fair” and not seem to favor certain dealers (e.g., due to size or location of the dealership, metrics can easily be skewed) or the manufacturer.⁵

Beyond accessing the data, the number of “elements” that could actually be utilized for the analysis is overwhelming to Tobias. He is unsure where to even start in reviewing the data and prioritizing the inputs into the scoring methodology as he does not know what really “matters” to the business that can also be controlled by the dealers. He does believe that he will want some sub-scores to demonstrate the performance of individual dealer departments (e.g. new vehicle or service) and/or different OEM departments (e.g. customer loyalty, financial viability), but is unsure how to create this. Having this score will allow him to provide more specific analysis on where a dealer may be lacking or succeeding.

If he could put this scorecard together in a logical format, have OEM management agree, and have dealers accept the results, Tobias would be seen as a hero in the organization. He has been having trouble in the past in communicating key outcomes with management and this would provide an opportunity to show that he can do the job. He must, however, provide this within a month and cannot wait for a long, drawn out analysis to be conducted before presenting his recommendation to his superiors.

Background on Dealer Performance Measurement

How to manage dealer performance in a summary fashion has been desired and researched but not consistently or definitively applied. Universal Motors directors consistently want to create reports with many data elements to be as comprehensive as possible with all of the data available (see Exhibit A). The issues arise however on what the important factors to consider are and what will actually impact the performance of dealers to derive better sales performance and dealer

³ Dealership departments include new vehicle, used vehicle, service, body shop, parts, finance and insurance, and accessories. Dealerships may or may not have all of these, but most have only some. Data is accumulated by the manufacturer for the dealerships of their brand but can be compiled and managed in various places throughout the organization.

⁴ There are many companies that interact with dealer data through an in-house system at the dealership, a service to pull data from these systems, or a warehouse of data provided by yet another supplier or the OEM.

⁵ Larger throughput (sales) dealers will typically have an advantage of being able to create enough profit to cover all of the fixed costs in the dealership (rent, building, infrastructure, etc.). Also, depending on the market, many of these fixed cost factors can play a role in what customers can pay. Some dealers are considered “low overhead” and suggest that they pass their lower costs on to the customer, whereas a dealer with higher overhead may have higher fixed costs that they may attempt to cover with higher prices. Lower cost dealers can then generate higher volumes or sell at a higher price to generate greater profits, whereas high overhead dealers must sell at a higher price to cover their expenses.

health.⁶ On the OEM side, various personnel have different opinions on what is important. Some OEM personnel may suggest that they know what is important and refuse to consider any more than a certain number of pre-identified items or KPIs (Key Performance Indicators). It is then challenging for someone like Tobias to gain consensus on what the items are that are most relevant to dealers when querying other stakeholders.

Beyond the creation of a comprehensive scorecard, other metrics have also been employed historically at a summary level to identify the performance of dealerships. To look at the performance of the sales department of dealerships, most manufacturers utilize “sales effectiveness” to identify the penetration or obtaining of an expected amount of sales. This expected amount of sales is based upon a process called segment adjustment (see Exhibit B), which is intended to take a step beyond market share only to identify the amount of expected sales based upon a comparison average while considering the preferences for vehicles of people in the area local to the dealership. Consider, for example, the differences in demand for pickup trucks in Texas versus New York City or the desire for a convertible in Arizona versus Alaska. Although there will be someone that will purchase each in these very differing areas, the demands are likely to be different overall. Due to this, someone like Tobias must estimate the amount of each vehicle a dealer would “expect” to sell based upon local demands rather than simply applying a broader average.

This sales effectiveness metric is just one of many measurements of performance that are utilized. Service penetration⁷ for the service department is another example or parts inventory turn rate for the parts department are all summary statistics that are commonly utilized to determine the overall performance of that department. Individually, these may or may not appropriately represent success or failures of individual departments. One criticism has been that the metrics only focus on the goals of the manufacturer and do not support the dealer’s objectives. Yes, both the manufacturers and the dealers want to make money (in the form of profit) but the same actions may not correspond to that result for both parties.

It may be counterintuitive at first, but selling more vehicles, despite increasing total revenues, may not always increase profits. The effort required to be placed on an additional sale, beyond a certain level, may actually reduce profit margins and even actual profit dollars (law of diminishing returns). Since it is more difficult and requires more additional investment through advertising, sales staff, inventory, etc., overall profit margins for the dealership would actually decrease with each additional sale (beyond a certain level). Potentially even worse, increases in investment necessary to achieve these additional sales may be greater than the resulting sales/profits obtained through the effort (see Exhibit C). Due to this misalignment of objectives, dealers and manufacturers are often trying to achieve slightly different goals, which have different drivers to be managed. This is a key challenge for Tobias.

In designing the components of the scorecard, Tobias has a desire to interact with dealers to obtain input in what should be included. He does realize that he cannot rely on them totally, as that will result in a scorecard that will be applicable to the business of making money in a dealership and not necessarily for selling more vehicles. He also knows that the KPIs included

⁶ Dealer health is usually characterized by the profitability and liquidity (cash availability) of the operation.

⁷ The number of unique service customers that visit a dealership for service relative to the opportunity, typically measured by the vehicles in operation in that dealer’s local area

in the scorecard may differ by region or type of area and would like to complete his assessment to align with these considerations. This scorecard will not be the single access point to solve all of the dealer or OEM problems, but it should provide some comparative guidance on where dealers stand relative to desired outcomes.

Despite the method utilized to provide recommendable actions, Tobias feels that dealers will want something that is simple and useful. If the information can be quickly accessed and easily applied to their operation to see quantifiable results, the likelihood that it will be successful is much greater. If it is too complicated to understand or does not relate to their objectives, dealers will never use the information. The manufacturer will then have a metric to utilize internally for comparison, but it will not assist in driving change.

When the final result is obtained, despite the usefulness of the data to the business, Tobias knows that dealers will question all metrics. Scorecards and other summary numbers or information can cause concern as it is can errantly be used for more significant purposes, since they are considered simple and in comprehensive. Many such scores have been applied in legal situations such as in the determination of which dealers to terminate or which to select for a new dealership (see Exhibit D). Therefore, each score must be fully supported by rationale that is explainable and justified. This justification process, however, is typically bypassed or poorly completed, as the initiative to have a scoring device is typically and suddenly urgent and the time to validate procedures is lacking.

Typical Ways to Manage Dealers

In order to manage the dealer network, manufacturers have a hierarchy of personnel that contact, interact with, and oversee the operations of dealers in a particular area. Since dealerships are established and contracted to run the business independently, effectively buying the product, vehicles, from the manufacturer, there are certain criteria that must be followed to maintain the franchise.⁸ The manufacturer must be certain that these agreements are followed and that the practices at these customer facing brick-and-mortar locations are properly representing the brand. The people in the manufacturer's organization that consistently meet with dealers to review any issues are typically called area managers or field representatives. They will review performance, product ordering, any manufacturer initiatives, incentives, and other day-to-day topics. They are critical to being able to have consistent manufacturer-dealer communication and to assist in obtaining the objectives of the manufacturer through their stores. These people are the target users of the scorecard in being able to translate numbers into action. Tobias understands the importance of providing this "tool" to field personnel and dealers to directly assist in these discussions.

Beyond the metrics that a field representative can provide, one activity that can provide assistance on the performance of the operation is the employment of dealer consultants. Dealer

⁸ This includes the Dealer Sales and Service agreement which outlines that a minimum level of performance must be maintained, as determined by the manufacturer. Of course, if dealers disagree, they can challenge the calculation in court or choose not to take the franchise. There are also other facility requirements concerning signage, size, capacity, and other program-based initiatives that the dealer must follow to maintain the franchise, depending on the individual brand's agreement.

consultants can visit dealerships and thoroughly assess their individual actions, beyond just what the data shows. They are typically people that have worked with or at dealerships for many years and can provide steps to repair issues found in the dealer's performance data. Tobias knows that scorecards and metrics can only do so much to provide places to focus attention or to drive improvement. To actually make change, some interaction with the dealer through consultants, OEM field representatives, or others is required.

Many documents and systems have been created in an attempt to resemble a comprehensive overview of the performance of dealerships. These reports are usually very busy and are based upon the input of many, hence its data-intensive qualities. Ford, for example, had created a "1984" report (see Exhibit A) by which field people were to assist dealers in managing their operations through having all key elements on one document. Field representatives may be able to decipher some of the information and are trained to know as much as possible; however, dealers can easily be overwhelmed with too much data. Therefore, Tobias desires a medium to assist in the translation and transfer of information that both parties can understand, utilize, and respect.

Changes in the Marketplace

As the information age has expanded and grown, more data has been available and accessible by dealers and OEMs. This provides an opportunity to Tobias in obtaining his objective. Dealers have had systems to capture data and run the business for years and many still use older UNIX-based machines. However, with new metrics, more access to data, and cheaper storage and transfer capabilities, the time has come where data across the entire dealership operation is available and useful for analysis. Additionally, there is a desire to combine departments on the OEM side to mirror a dealer's operation to assist in the management of dealership operations more directly. This again allows for the sharing and transfer of data to create a dealer data warehouse or repository to assist in having a holistic view, rather than an attempt parsed by department. Tobias may have the opportunity to discuss his scorecard with many departments in bringing together a comprehensive piece that has not been created previously.

By having the data in a combined, accessible location, more knowledge can be obtained through the complete "360 degree view" of the dealership. Previously, each department could be assessed by data type, such as new vehicle data for satisfaction, or service performance. Now, dealers can see financial, performance, and opportunity data with actionable recommendations to make improvements in areas that they are lacking. Additionally, new metrics and forms of data mining can be applied to assist in determining what the best ways to run the business are in order to obtain the greatest change of success, all of which provides an avenue to avoid the large generic summary reports from years past.

It is just as vital to the manufacturer to have successful dealers as it is for the dealer to succeed. Dealer viability was a key issue in the recent economic downturn in the United States that resulted in many, even successful, dealerships closing their doors. Tobias knows that profitable dealerships provide the manufacturer good local representation, an opportunity for their dealers to invest further, and an attractive option for new owners to their brand for the return on investment that can be achieved. Also, once a dealership closes, downtime for sales, breaking of

relationships with customers, or a search for a new owner has to take place, all of which costs the time or ability of being able to sell from that location.

Given that these potential changes can substantially impact a location or market, adjustments to any scorecard that is created is required. Tobias requires a consistent process by which the proper goals can still be achieved, while making adjustments that make sense for the current time, and are simple enough to explain to a dealer and how it would impact them. Therefore, the process may require not just an initial creation methodology but also a maintenance or repair schedule to ensure continued applicability of the results.

The Real Manufacturer Goal versus Individual Actions

Despite the many actions, programs, and investments manufactures make in an attempt to sell more vehicles, the underlying initiatives and their procedures for implementation lack collaborative direction. Making investors happy through greater profits, driven by vehicle and parts sales, are the true objectives of automotive manufacturers, as well as many other public companies. In each case, Tobias knows there must be a link between goal achievement and the investments made in these areas, if improvements are to be achieved.

His challenge is that manufactures do not align individual actions in an attempt to obtain certain outcomes. There is no cause and effect relationship, since most decisions are experience-based rather than data-based. Even when data-involved processes, such as scorecards, are involved, experience still trumps the usage and application of metrics, again causing a lack of association between inputs and outputs.

Based upon his research, Tobias has found that most scorecards that are in place are typically created from the minds of company experts, executives, or others with experience in working with dealership operations. Typically, dealers are not involved in this process and are given the result rather than providing input into the outcome. There is typically a desire to limit the number of factors or this analysis to many within the manufacturer's organization and outside would understand. Some manufacturers he interviewed followed a process by which each level of the company from top executives to field representatives have provided input on the metrics used and have stated what they feel is good, average, or poor (typically seen through a green, yellow, and red color-coding approach) numerically for different KPI values. These values, however, were not necessarily linked to any potential outcome, other than a specific initiative with which one metric may be associated. Still, no one was certain if achieving a "good" result on the scorecard or even within individual metrics or dealership departments would provide a desirable result of higher sales or higher dealership profitability.

On the other hand, Tobias knows that the process to define a score must be easily understood. Using too much "black box" analysis or statistics can cause those that provide or receive the assessment to not believe in the results. There must either be substantial case study support that Tobias can find within his organization or at least reasonable process that can be described to outline how the numbers are generated. Even simple measures, such as those involved in calculating dealer performance ("sales effectiveness") can seem difficult to some dealers. They obviously come from a variety of backgrounds and experience; therefore, attention must be given

to ensure that most people whether business or metric savvy or not, can understand the process and the resulting scores.

Tobias is very sensitive to the fact that a lack of real-life examples to support scoring methodology will cause any process to falter. Until it can be shown that increasing one metric can have some tangible impact or outcome, dealer and field representatives will be tentative about using it. If they do not use it, the manufacturer can track scores as much as they prefer, but having an impact to achieve positive results will not be possible.

Summary

Tobias needs to create the best possible scorecard in a very short period of time. He knows of many KPIs that are typically used in the industry and, given his short time frame, has decided to focus on those to drive his development (see Exhibit E). Tobias must be careful to meet the objectives of all teams including legal, upper management, and tactical management, to ensure that this is valuable to as many people as possible. He does not have a great deal of data at this time and would like to focus more on the process of determining how to create the scorecard rather than the actual numbers. How can he incorporate which KPIs to use in a consistent process or methodology that covers all dealerships? Each dealer functions differently due to location, competition, owner, etc. and these factors must be balanced and handled properly. Also, dealers will have their own deficiencies that must be taken into account once the scorecard is created. How can the variance in outcomes be monitored and managed to improve performance and/or assist in adjusting the scorecard in the future?

Tobias must do the best he can to create the best scorecard he can in the time allotted. For now, he must find ways to point to areas of concern and potential improvement while maintaining the integrity of a scoring system to use comparatively across the dealer network. Often, these types of projects are expected by OEM personnel without fully understanding the scope of “doing it right.” In this case, time is limited and a different result or recommendation may be provided if additional time or funding would be possible. Still, assumptions can be stated and further improvements can be recommended based upon future results of this project and changing economic or company situation.

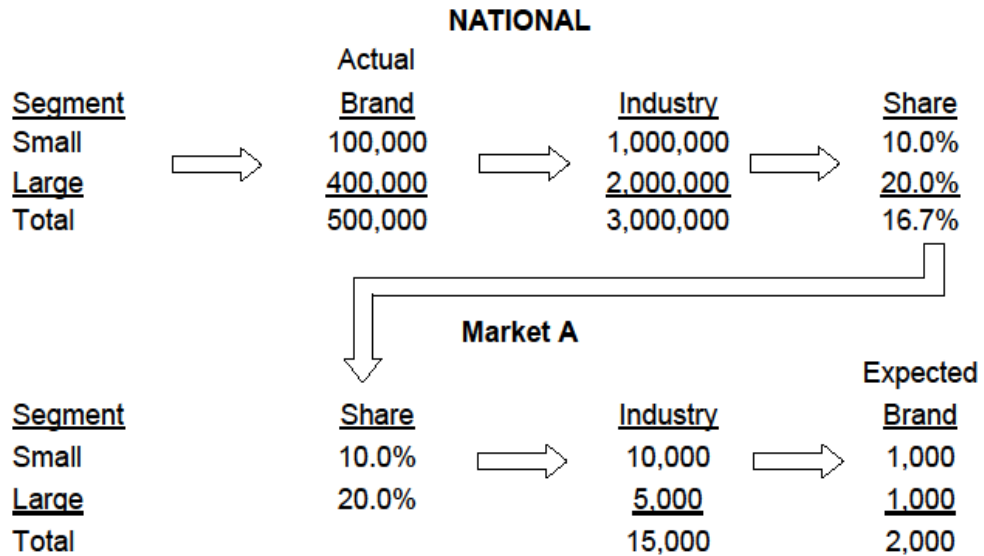
Exhibit A

Typical Dealer Management Documents

These documents are created by a vehicle manufacturer as a summary of the operations of an individual dealership. Field personnel would use these to review any and all data relative to the dealer's sales performance and profitability. There is a great deal of information here, but what is actually important? Where would assessments of this document begin? Obviously, much training and experience is necessary to provide an acceptable evaluation, much of which is now absent due to the elimination of automotive positions with expensive but skilled people.

Exhibit B

Process for calculating sales effectiveness and performing segment adjustment



Expected Penetration Based on National Dealer Network Performance

Adjusted for Market A Consumer Preferences $2,000/15,000 = 13.3\%$

Exhibit C

Law of Diminishing Marginal Returns

Sometimes also referred to as the *law of variable proportions*, this "law" is really a generalization economists make about the nature of technology when it is possible to combine the same factors of production in a number of different proportions to make the same product. The law states:

When increasing amounts of one factor of production are employed in production along with a fixed amount of some other production factor, after some point, the resulting increases in output of product become smaller and smaller.

(That is, first the marginal returns to successive small increases in the variable factor of production turn down, and then eventually the overall average returns per unit of the variable input start decreasing.) Since the law assumes that the available quantity of at least one factor of production is fixed at a given level and that technological knowledge does not change during the relevant period, the law of diminishing returns normally translates into a statement about the **short-run** choice of production possibilities facing a firm (since in the longer run it is virtually always possible for the firm to acquire more of the temporarily "fixed" factor -- building an additional factory building, buying additional land, installing additional machines of the same kind, installing newer and more advanced machinery, and so on.)

A simple example of the workings of the law of diminishing returns comes from gardening. A particular twenty by twenty garden plot will produce a certain number of pounds of tomatoes if the gardener just puts in the recommended number of rows and plants per row, waters them appropriately and keeps the weeds pulled. If the gardener varies this approach by adding a pound of fertilizer to the topsoil, but otherwise does everything the same, he can increase the number of pounds of tomatoes the garden plot yields by quite a bit (notice the amount of land is being held fixed or constant). If he adds two pounds of fertilizer (rather than just one), probably he can get still more tomatoes per season, but the increase in tomatoes harvested by going from one pound to two pounds of fertilizer is probably smaller than the increase he gets by going from zero pounds to one (diminishing marginal returns). Applying three pounds of fertilizer may still increase the harvest, but perhaps by only a very little bit over the yields available using just two pounds. Applying four pounds of fertilizer turns out to be overdoing it -- the garden yields fewer tomatoes than applying only three pounds because the plants begin to suffer damage from root-burn. And five pounds of fertilizer turns out to kill nearly all the plants before they even flower.

Another similar example of diminishing returns in an industrial setting might be a widget factory that features a certain number of square feet of work space and a certain number of machines inside it. Neither the space available nor the number of machines can be added to without a long delay for construction or installation, but it is possible to adjust the amount of labor on short notice by working more shifts and/or taking on some extra workers per shift. Adding extra man-hours of labor will increase the number of widgets produced, but only within limits. After a certain point, such things as worker fatigue, increasing difficulties in supervising the large work force, more frequent breakdowns by over-utilized machinery, or just plain inefficiency due to

overcrowding of the work space begin to take their toll. The marginal returns to each successive increment of labor input get smaller and smaller and ultimately turn negative.

The law of diminishing returns is significant because it is part of the basis for economists' expectations that a firm's short-run marginal cost curves will slope upward as the number of units of output increases. And this in turn is an important part of the basis for the law of supply's prediction that the number of units of product that a profit-maximizing firm will wish to sell increases as the price obtainable for that product increases.

Source: Dr. Paul Johnson, the University of Auburn
http://www.auburn.edu/~johnspm/gloss/diminishing_returns_law_of

Exhibit D

Sample dealer financial statement layout

These are the typical pages seen in the financial statement of a dealer. The data is provided from the DMS (Dealer Management System) at the dealership to the manufacturer, who creates these well organized, consistent statements.

2012 DEALER FINANCIAL STATEMENT										
BALANCE SHEET										
COMPOSITE NAME					DEALER COUNT		STATEMENT PERIOD			PAGE 1
Example Dealer					12345		Jan 2012 - Apr 2012			
ASSETS					AMOUNT	LINE NO.	LIABILITIES & OWNERS' EQUITY			AMOUNT
CURRENT ASSETS:						1	CURRENT LIABILITIES :			
CASH, CONTRACTS & SECURITIES						2	NOTES PAYABLE			
CASH			IN TRUST \$			3	NEW VEHICLE FINANCING	DEMOS FINANCED \$		
CONTRACTS IN TRANSIT						4	USED VEHICLE FINANCING			
MARKETABLE SECURITIES (at cost)			MARKET VALUE \$			5	BANKS AND FINANCE COMPANIES			
TOTAL CASH, CONTRACTS & SECURITIES (LINES 3 THRU 5)						6	OWNERS			
RECEIVABLES:						7	NOTES PAYABLE - OTHER			
CUSTOMERS - VEHICLES			OVERAGE			8	CURRENT PORTION LONG TERM DEBT	MORTGAGES \$		
CUSTOMERS - SP&A						9	TOTAL NOTES PAYABLE (LINES 3 THRU 8)			
CLAIMS - WARRANTY						10	ACCOUNTS PAYABLE:			
CLAIMS - WARRANTY - OTHER						11	TRADE			
CLAIMS - TRANSPORTATION						12	SALES AND USE TAXES PAYABLE			
RESERVE / HOLDBACK						13	DIVIDENDS PAYABLE			
RESERVE - OTHER						14	OTHER			
OTHER RECEIVABLES / MANUFACTURERS						15	TOTAL ACCOUNTS PAYABLE (LINES 11 THRU 14)			
OTHER RECEIVABLES / MANUFACTURERS - OTHER						16	PAYROLL DEDUCTIONS & ACCRUALS :			
RECEIVABLES FROM DEALERSHIPS						17	FEDERAL INCOME TAXES WITHHELD & ACCRUED			
OTHER RECEIVABLES - OTHER						18	STATE & LOCAL TAXES WITHHELD & ACCRUED			
LESS - ALLOWANCE FOR DOUBTFUL RECEIVABLES			()			19	OTHER PAYROLL DEDUCTIONS			
NET RECEIVABLES (LINES 8 THRU 20)						20	TOTAL PAYROLL DEDUCTIONS & ACCRUALS (LINES 17 THRU 19)			
NEW VEHICLES			UNITS			21	CUSTOMER SALES DEPOSITS IN TRUST	NUMBER		
NEW VEHICLES OTHER			UNITS			22	ACCRUED LIABILITIES :			
DEMOS - NET			UNITS			23	ACCRUED COMPENSATION			
RENTAL VEHICLES - NET			UNITS			24	ACCRUED PAYROLL			
LIFO RESERVE NEW VEHICLES						25	ACCRUED PENSION PLAN			
TOTAL NEW (LINES 22 THRU 26)						26	ACCRUED TAXES OTHER THAN PAYROLL			
USED CERTIFIED PRE-OWNED			UNITS			27	TOTAL ACCRUED LIABILITIES (LINES 23 THRU 27)			
USED RETAIL			UNITS			28	FEDERAL, STATE & LOCAL INCOME TAXES	PRIOR YEAR \$ \$		
USED VEHICLES OTHER			UNITS			29	TOTAL CURRENT LIABILITIES (LINES 9,15,20,21,26 & 29)			
USED over 30 days			\$			30	LONG-TERM LIABILITIES :			
USED CPO over 30 days			\$			31	NOTES PAYABLE - BANKS & FINANCE CO. (LESS CURRENT PORTION)			
OTHER MAKES over 30 days			\$			32	NOTES PAYABLE - OWNERS (LESS CURRENT PORTION)	AMT SUB		
LIFO RESERVE USED VEHICLES						33	NOTES PAYABLE - OTHER (LESS CURRENT PORTION)			
TOTAL USED (LINES 28 THRU 34)						34	NOTES PAYABLE - LEASE VEHICLES			
DESCRIPTION	ACCT.	COST OR MARKET	ACCT.	INVENT. ADJ.		35	MORTGAGE LOANS PAYABLE (LESS CURRENT PORTION)			
NEW PARTS & ACC. BRAND			()			36	RESERVES			
OTHER PARTS & ACC.			()			37	TOTAL LONG-TERM LIABILITIES (LINES 32 THRU 37)			
TIRES			()			38	OWNERS EQUITY			
TOTAL P&A (LINES 37 THRU 39)						39	ACTUAL	MINIMUM		
LIFO RESERVE PARTS & ACCESS						40	NET WORKING CAPITAL			
WORK IN PROCESS - LABOR						41	ACTUAL	MINIMUM		
SUBLET INVENTORY						42	NET CASH			
MISCELLANEOUS INVENTORIES						43	ACTUAL	ASSETS THAT CAN BE LIQUIDATED WITHIN 60 DAYS		
TOTAL INVENTORIES (LINES 27, 35, 40, 41 THRU 44)						44				
PREPAID EXPENSES :						45				
PREPAID ADVERTISING						46				
PREPAID INSURANCE						47	OWNERS' EQUITY :			
PREPAID RENT						48	PREFERRED STOCK			
OTHER PREPAID EXPENSES						49	COMMON STOCK			
TOTAL PREPAID EXPENSES (LINES 47 THRU 50)						50	LESS TREASURY STOCK			
TOTAL CURRENT ASSETS (LINES 6, 21, 45, & 51)						51	TOTAL CAPITAL STOCK OUTSTANDING (LINES 48 THRU 50)			
CAPITAL ASSETS :						52	ADDITIONAL PAID-IN CAPITAL			
DESCRIPTION	ACCT.	COST	ACCT.	ACC. DEPN & AMOR.		53	RETAINED EARNINGS			
LAND						54	DIVIDENDS DECLARED - CURRENT YEAR			
BUILDINGS & IMPROVEMENTS			()			55	PROPRIETOR'S, PARTNER'S OR LLC'S INVESTMENTS			
LEASEHOLD IMPROVEMENTS			()			56	PROPRIETOR'S, PARTNER'S OR LLC'S WITHDRAWALS - CURRENT YR			
MACHINERY & EQUIPMENT			()			57	CURRENT EARNINGS - BEFORE INCOME TAXES			
FURNITURE & FIXTURES			()			58	UNITS SOLD	AMOUNT		
COMPANY VEHICLES			()			59	NEW	NEW O.M.	USED RETAIL	
COMPUTER EQUIPMENT			()			60	JANUARY			
OTHER DEPREC. ASSETS			()			61	FEBRUARY			
TOTAL (LINES 55 THRU 62)						62	MARCH			
OTHER ASSETS :						63	APRIL			
LONG - TERM NOTES RECEIVABLE - CUSTOMERS						64	MAY			
RECEIVABLES - OWNERS, EMPLOYEES AND OTHER						65	JUNE			
F&I RECEIVABLES		CONTINGENT LIABILITY \$	\$			66	JULY			
LEASE VEHICLES - NET						67	AUGUST			
INVESTMENTS & ADVANCES - OTHER THAN AUTO BUSINESS						68	SEPTEMBER			
INVESTMENTS & ADVANCES - SUBSIDIARY & AFFILIATED COMPANIES						69	OCTOBER			
CASH SURRENDER VALUE OF LIFE INSURANCE						70	NOVEMBER			
OTHER						71	DECEMBER			
						72	TOTAL			
						73	PROVISION FOR INCOME TAXES			
TOTAL OTHER ASSETS (LINES 65 THRU 72)						74	NET EARNINGS OR (LOSS) (LINE 72 MINUS 73)			
TOTAL ASSETS (LINES 62, 63, & 75)						75	OWNERS' EQUITY (LINES 51 THRU 56 & 74)			
						76	TOTAL LIABILITIES & OWNERS' EQUITY (LINES 30, 38 & 75)			

DEALER NAME:		STATEMENT PERIOD:						PAGE 2			
Example Dealer		Jan 2012 - Apr 2012									
STATEMENT OF INCOME AND EXPENSE											
DESCRIPTION	LINE NO.	ACCT NO.	TOTAL DEALERSHIP								
			TOTAL			TOTAL BRAND			TOTAL OTHER		
			CURRENT MONTH	YEAR-TO-DATE	%	CURRENT MONTH	YEAR-TO-DATE	%	CURRENT MONTH	YEAR-TO-DATE	%
SALES	1										1
OPERATING INCOME (FROM PAGE 0)	2										2
SELLING EXPENSES:	3										3
SALESPERSONS' COMPENSATION	4										4
CUSTOMER RELATIONS & ADJUSTMENTS	5										5
DEMONSTRATOR VEHICLE EXPENSE	6										6
INTEREST - FLOOR PLANNING	7										7
DELIVERY EXPENSE	8										8
TRANSPORTATION CLAIMS	9										9
WARRANTY & USED VEHICLE GUARANTEE	10										10
ADVERTISING	11										11
SALES PROMOTION	12										12
TOTAL SELLING EXPENSES (LINES 4 THRU 12)	13										13
EMPLOYMENT EXPENSES:	14										14
SALARIES - OWNERS	15										15
COMPENSATION - SUPERVISION	16										16
SALARIES & WAGES - CLERICAL	17										17
SALARIES & WAGES - OTHER	18										18
COMPENSATION - SPECIALISTS	19										19
ABSENTEE, VACATION & HOLIDAY PAY	20										20
WORKERS' COMPENSATION INSURANCE	21										21
PAYROLL TAXES	22										22
PENSION	23										23
OTHER EMPLOYEE EXPENSES / BENEFITS	24										24
TOTAL EMPLOYMENT EXPENSES (LINES 15 THRU 24)	25										25
SEMI-FIXED EXPENSES:	26										26
COMEBACKS	27										27
SUPPLIES AND SMALL TOOLS	28										28
UNIFORMS AND LAUNDRY	29										29
TRAINING	30										30
COMPANY VEHICLES - EXPENSES	31										31
VEHICLE LOANERS - EXPENSES	32										32
FREIGHT, EXPRESS AND CARTAGE	33										33
CONSULTING & MANAGEMENT FEES	34										34
OTHER DEPRECIABLE ASSETS - EXPENSES	35										35
DATA PROCESSING EXPENSES	36										36
POSTAGE, STATIONERY & OFFICE SUPPLIES	37										37
TELEPHONE & INTERNET ACCESS	38										38
TRAVEL AND ENTERTAINMENT	39										39
MEMBERSHIP DUES & SUBSCRIPTIONS	40										40
PROFESSIONAL FEES	41										41
CONTRIBUTIONS	42										42
BAD DEBTS	43										43
MISCELLANEOUS EXPENSES	44										44
TOTAL SEMI-FIXED EXPENSES (LINES 27 THRU 44)	45										45
FIXED EXPENSES:	46										46
HEAT, LIGHT, POWER & WATER	47										47
RENT	48										48
AMORTIZATION - LEASEHOLD IMPROVEMENTS	49										49
REPAIRS & MAINTENANCE - OWNED & LEASED PROPERTY	50										50
DEPRECIATION - BUILDINGS & IMPROVEMENTS	51										51
INSURANCE - BUILDINGS & IMPROVEMENTS	52										52
INSURANCE - OTHER	53										53
REAL ESTATE TAXES	54										54
TAXES - OTHER	55										55
MORTGAGE INTEREST	56										56
DEPRECIATION - EQUIPMENT & FIXTURES	57										57
EQUIPMENT RENTAL	58										58
REPAIRS & MAINTENANCE - EQUIPMENT	59										59
TOTAL FIXED EXPENSES (LINES 47 THRU 59)	60										60
TOTAL OPERATING EXPENSES (LINES 13, 25, 45 & 60)	61										61
NET OPERATING PROFIT (LINES 2 MINUS 61)	62										62
OTHER INCOME & (DEDUCTIONS) - NET	63										63
TOTAL NET PROFIT BEFORE BONUS & TAX (LINE 62 + 63)	64										64
OWNERS' BONUSES	65										65
OWNERS' LIFE INSURANCE PREMIUMS	66										66
EMPLOYEES' BONUSES	67										67
TOTAL OTHER COMP. & LIFE INS. (LINES 65 THRU 67)	68										68
NET PROFIT BEFORE TAXES (LINE 64 MINUS 68)	69										69
PROVISION FOR INCOME TAX - CURRENT YEAR	70										70
NET PROFIT (LINE 69 MINUS 70)	71										71
OTHER INCOME	INTEREST EARNED		ACCT	CURRENT MONTH	YEAR-TO-DATE	72					72
	GAIN ON DISPOSAL OF ASSETS					73	INTEREST EXPENSE - OTHER				73
	CASH DISCOUNTS EARNED					74	CREDIT CARD EXPENSE				74
	SALES PERFORMANCE BONUS					75	BANK CHARGES				75
	HOLDBACK / TRANSACTION CREDIT					76	LOSS ON DISPOSAL OF ASSETS				76
	LICENSE & DOCUMENTARY FEES					77	CASH DISCOUNTS ALLOWED				77
	PARTS ACHIEVEMENT BONUS					78	AMORTIZATION - ORG. EXPENSE				78
	RENTAL VEHICLES					79	RENTAL VEHICLES				79
	RESERVE / HOLDBACK / BONUS - OTHER MAKES					80	MISCELLANEOUS DEDUCTIONS				80
	MISCELLANEOUS INCOME					81	CASUALTY LOSSES				81
OTHER BONUS					82					82	
OTHER FUNDS RECEIVED					83					83	
TOTAL OTHER INCOME (LINES 73 THRU 84)					84	TOTAL OTHER DEDUCTIONS (LINES 73 THRU 81)				84	
					85					85	

DEALER NAME:		STATEMENT PERIOD:						PAGE 3				
Example Dealer		Jan 2012 - Apr 2012										
STATEMENT OF INCOME AND EXPENSE												
DESCRIPTION	LINE NO.	ACCT NO.	TOTAL <small>NEW BRAND + NEW OTHER</small>			NEW BRAND			NEW OTHER			LINE NO.
			CURRENT MONTH	YEAR-TO-DATE	%	CURRENT MONTH	YEAR-TO-DATE	%	CURRENT MONTH	YEAR-TO-DATE	%	
SALES	1											1
OPERATING INCOME (FROM PAGE 8)	2											2
SELLING EXPENSES:	3											3
SALESPERSONS' COMPENSATION	4											4
CUSTOMER RELATIONS & ADJUSTMENTS	5											5
DEMONSTRATOR VEHICLE EXPENSE	6											6
INTEREST - FLOOR PLANNING	7											7
DELIVERY EXPENSE	8											8
TRANSPORTATION CLAIMS	9											9
WARRANTY & USED VEHICLE GUARANTEE	10											10
ADVERTISING	11											11
SALES PROMOTION	12											12
TOTAL SELLING EXPENSES (LINES 4 THRU 12)	13											13
EMPLOYMENT EXPENSES:	14											14
SALARIES - OWNERS	15											15
COMPENSATION - SUPERVISION	16											16
SALARIES & WAGES - CLERICAL	17											17
SALARIES & WAGES - OTHER	18											18
COMPENSATION - SPECIALISTS	19											19
ABSENTEE, VACATION & HOLIDAY PAY	20											20
WORKERS' COMPENSATION INSURANCE	21											21
PAYROLL TAXES	22											22
PENSION	23											23
OTHER EMPLOYEE EXPENSES / BENEFITS	24											24
TOTAL EMPLOYMENT EXPENSES (LINES 15 THRU 24)	25											25
SEMI-FIXED EXPENSES:	26											26
COMEBACKS	27											27
SUPPLIES AND SMALL TOOLS	28											28
UNIFORMS AND LAUNDRY	29											29
TRAINING	30											30
COMPANY VEHICLES - EXPENSES	31											31
VEHICLE LOANERS - EXPENSES	32											32
FREIGHT, EXPRESS AND CARTAGE	33											33
CONSULTING & MANAGEMENT FEES	34											34
OTHER DEPRECIABLE ASSETS - EXPENSES	35											35
DATA PROCESSING EXPENSES	36											36
POSTAGE, STATIONERY & OFFICE SUPPLIES	37											37
TELEPHONE & INTERNET ACCESS	38											38
TRAVEL AND ENTERTAINMENT	39											39
MEMBERSHIP DUES & SUBSCRIPTIONS	40											40
PROFESSIONAL FEES	41											41
CONTRIBUTIONS	42											42
BAD DEBTS	43											43
MISCELLANEOUS EXPENSES	44											44
TOTAL SEMI-FIXED EXPENSES (LINES 27 THRU 44)	45											45
FIXED EXPENSES:	46											46
HEAT, LIGHT, POWER & WATER	47											47
RENT	48											48
AMORTIZATION - LEASEHOLD IMPROVEMENTS	49											49
REPAIRS & MAINTENANCE - OWNED & LEASED PROPERTY	50											50
DEPRECIATION - BUILDINGS & IMPROVEMENTS	51											51
INSURANCE - BUILDINGS & IMPROVEMENTS	52											52
INSURANCE - OTHER	53											53
REAL ESTATE TAXES	54											54
TAXES - OTHER	55											55
MORTGAGE INTEREST	56											56
DEPRECIATION - EQUIPMENT & FIXTURES	57											57
EQUIPMENT RENTAL	58											58
REPAIRS & MAINTENANCE - EQUIPMENT	59											59
TOTAL FIXED EXPENSES (LINES 47 THRU 59)	60											60
TOTAL OPERATING EXPENSES (LINES 13, 25, 45 & 60)	61											61
NET OPERATING PROFIT (LINES 2 MINUS 61)	62											62

DEALER NAME:		STATEMENT PERIOD:		PAGE 4								
Example Dealer		Jan 2012 - Apr 2012										
STATEMENT OF INCOME AND EXPENSE												
DESCRIPTION	LINE NO.	ACCT NO.	TOTAL USED BRAND + USED OTHER			USED BRAND			USED OTHER			LINE NO.
			CURRENT MONTH	YEAR-TO-DATE	%	CURRENT MONTH	YEAR-TO-DATE	%	CURRENT MONTH	YEAR-TO-DATE	%	
SALES	1											1
OPERATING INCOME (FROM PAGE 6)	2											2
SELLING EXPENSES:	3											3
SALESPERSONS' COMPENSATION	4											4
CUSTOMER RELATIONS & ADJUSTMENTS	5											5
DEMONSTRATOR VEHICLE EXPENSE	6											6
INTEREST - FLOOR PLANNING	7											7
DELIVERY EXPENSE	8											8
TRANSPORTATION CLAIMS	9											9
WARRANTY & USED VEHICLE GUARANTEE	10											10
ADVERTISING	11											11
SALES PROMOTION	12											12
TOTAL SELLING EXPENSES (LINES 4 THRU 12)	13											13
EMPLOYMENT EXPENSES:	14											14
SALARIES - OWNERS	15											15
COMPENSATION - SUPERVISION	16											16
SALARIES & WAGES - CLERICAL	17											17
SALARIES & WAGES - OTHER	18											18
COMPENSATION - SPECIALISTS	19											19
ABSENTEE, VACATION & HOLIDAY PAY	20											20
WORKERS' COMPENSATION INSURANCE	21											21
PAYROLL TAXES	22											22
PENSION	23											23
OTHER EMPLOYEE EXPENSES / BENEFITS	24											24
TOTAL EMPLOYMENT EXPENSES (LINES 15 THRU 24)	25											25
SEMI-FIXED EXPENSES:	26											26
COMEBACKS	27											27
SUPPLIES AND SMALL TOOLS	28											28
UNIFORMS AND LAUNDRY	29											29
TRAINING	30											30
COMPANY VEHICLES - EXPENSES	31											31
VEHICLE LOANERS - EXPENSES	32											32
FREIGHT, EXPRESS AND CARTAGE	33											33
CONSULTING & MANAGEMENT FEES	34											34
OTHER DEPRECIABLE ASSETS - EXPENSES	35											35
DATA PROCESSING EXPENSES	36											36
POSTAGE, STATIONERY & OFFICE SUPPLIES	37											37
TELEPHONE & INTERNET ACCESS	38											38
TRAVEL AND ENTERTAINMENT	39											39
MEMBERSHIP DUES & SUBSCRIPTIONS	40											40
PROFESSIONAL FEES	41											41
CONTRIBUTIONS	42											42
BAD DEBTS	43											43
MISCELLANEOUS EXPENSES	44											44
TOTAL SEMI-FIXED EXPENSES (LINES 27 THRU 44)	45											45
FIXED EXPENSES:	46											46
HEAT, LIGHT, POWER & WATER	47											47
RENT	48											48
AMORTIZATION - LEASEHOLD IMPROVEMENTS	49											49
REPAIRS & MAINTENANCE - OWNED & LEASED PROPERTY	50											50
DEPRECIATION - BUILDINGS & IMPROVEMENTS	51											51
INSURANCE - BUILDINGS & IMPROVEMENTS	52											52
INSURANCE - OTHER	53											53
REAL ESTATE TAXES	54											54
TAXES - OTHER	55											55
MORTGAGE INTEREST	56											56
DEPRECIATION - EQUIPMENT & FIXTURES	57											57
EQUIPMENT RENTAL	58											58
REPAIRS & MAINTENANCE - EQUIPMENT	59											59
TOTAL FIXED EXPENSES (LINES 47 THRU 59)	60											60
TOTAL OPERATING EXPENSES (LINES 13, 25, 45 & 60)	61											61
NET OPERATING PROFIT (LINES 2 MINUS 61)	62											62

DEALER NAME:		STATEMENT PERIOD:						PAGE 5				
Example Dealer		Jan 2012 - Apr 2012										
STATEMENT OF INCOME AND EXPENSE												
DESCRIPTION	LINE NO.	ACCT. NO.	TOTAL			BRAND SERVICE			OTHER SERVICE			LINE NO.
			BRAND SERVICE + OTHER SERVICE			CURRENT MONTH	YEAR-TO-DATE	%	CURRENT MONTH	YEAR-TO-DATE	%	
SALES	1											1
OPERATING INCOME (FROM PAGE 9)	2											2
SELLING EXPENSES:	3											3
CUSTOMER RELATIONS & ADJUSTMENTS	4											4
TRANSPORTATION CLAIMS	5											5
WARRANTY & USED VEHICLE GUARANTEE	6											6
ADVERTISING	7											7
SALES PROMOTION	8											8
TOTAL SELLING EXP. (LINES 4 THRU 8)	9											9
EMPLOYMENT EXPENSES:	10											10
SALARIES - OWNERS	11											11
COMPENSATION - SUPERVISION	12											12
SALARIES & WAGES - CLERICAL	13											13
SALARIES & WAGES - OTHER	14											14
COMPENSATION - SPECIALISTS	15											15
ABSENTEE, VACATION & HOLIDAY PAY	16											16
WORKERS' COMPENSATION INSURANCE	17											17
PAYROLL TAXES	18											18
PENSION	19											19
OTHER EMPLOYEE EXPENSES / BENEFITS	20											20
TOTAL EMPLOYMENT EXP. (LINES 11 THRU 20)	21											21
SEMI-FIXED EXPENSES:	22											22
COMEBACKS	23											23
SUPPLIES AND SMALL TOOLS	24											24
UNIFORMS AND LAUNDRY	25											25
TRAINING	26											26
COMPANY VEHICLES - EXPENSES	27											27
VEHICLE LOANERS - EXPENSES	28											28
FREIGHT, EXPRESS AND CARTAGE	29											29
CONSULTING & GROUP MANAGEMENT FEES	30											30
OTHER DEPRECIABLE ASSETS - EXPENSES	31											31
DATA PROCESSING EXPENSES	32											32
POSTAGE, STATIONERY & OFF. SUPPLIES	33											33
TELEPHONE	34											34
TRAVEL AND ENTERTAINMENT	35											35
MEMBERSHIP DUES & SUBSCRIPTIONS	36											36
PROFESSIONAL FEES	37											37
CONTRIBUTIONS	38											38
BAD DEBTS	39											39
MISCELLANEOUS EXPENSES	40											40
TOTAL SEMI-FIXED EXPENSES (LINES 23 THRU 40)	41											41
FIXED EXPENSES:	42											42
HEAT, LIGHT, POWER & WATER	43											43
RENT	44											44
AMORTIZATION - LEASEHOLD IMPROVEMENTS	45											45
REPAIRS & MAINT. - OWN & LEASED PROPERTY	46											46
DEPRECIATION - BUILDINGS & IMPROVEMENTS	47											47
INSURANCE - BUILDINGS & IMPROVEMENTS	48											48
INSURANCE - OTHER	49											49
REAL ESTATE TAXES	50											50
TAXES - OTHER	51											51
MORTGAGE INTEREST	52											52
DEPRECIATION - EQUIPMENT & FIXTURES	53											53
EQUIPMENT RENTAL	54											54
REPAIRS & MAINTENANCE - EQUIPMENT	55											55
TOTAL FIXED EXPENSES (LINES 43 THRU 55)	56											56
TOTAL OPER. EXPENSES (LINES 3,21,41 & 56)	57											57
NET OPERATING PROFIT (LINE 2 MINUS 57)	58											58

DEALER NAME		STATEMENT PERIOD		PAGE 6								
Example Dealer		Jan 2012 - Apr 2012										
STATEMENT OF INCOME AND EXPENSE												
DESCRIPTION	LINE NO.	ACCT NO.	TOTAL			BRAND PARTS			OTHER PARTS			LINE NO.
			BRAND PARTS + OTHER PARTS			CURRENT MONTH	YEAR-TO-DATE	%	CURRENT MONTH	YEAR-TO-DATE	%	
SALES	1											1
OPERATING INCOME (FROM PAGE 9)	2											2
SELLING EXPENSES:	3											3
CUSTOMER RELATIONS & ADJUSTMENTS	4											4
TRANSPORTATION CLAIMS	5											5
WARRANTY & USED VEHICLE GUARANTEE	6											6
ADVERTISING	7											7
SALES PROMOTION	8											8
TOTAL SELLING EXP. (LINES 4 THRU 8)	9											9
EMPLOYMENT EXPENSES:	10											10
SALARIES - OWNERS	11											11
COMPENSATION - SUPERVISION	12											12
SALARIES & WAGES - CLERICAL	13											13
SALARIES & WAGES - OTHER	14											14
COMPENSATION - SPECIALISTS	15											15
ABSENTEE, VACATION & HOLIDAY PAY	16											16
WORKERS' COMPENSATION INSURANCE	17											17
PAYROLL TAXES	18											18
PENSION	19											19
OTHER EMPLOYEE EXPENSES / BENEFITS	20											20
TOTAL EMPLOYMENT EXP. (LINES 11 THRU 20)	21											21
SEMI-FIXED EXPENSES:	22											22
COMEBACKS	23											23
SUPPLIES AND SMALL TOOLS	24											24
UNIFORMS AND LAUNDRY	25											25
TRAINING	26											26
COMPANY VEHICLES - EXPENSES	27											27
VEHICLE LOANERS - EXPENSES	28											28
FREIGHT, EXPRESS AND CARTAGE	29											29
CONSULTING & GROUP MANAGEMENT FEES	30											30
OTHER DEPRECIABLE ASSETS - EXPENSES	31											31
DATA PROCESSING EXPENSES	32											32
POSTAGE, STATIONERY & OFF. SUPPLIES	33											33
TELEPHONE	34											34
TRAVEL AND ENTERTAINMENT	35											35
MEMBERSHIP DUES & SUBSCRIPTIONS	36											36
PROFESSIONAL FEES	37											37
CONTRIBUTIONS	38											38
BAD DEBTS	39											39
MISCELLANEOUS EXPENSES	40											40
TOTAL SEMI-FIXED EXPENSES (LINES 23 THRU 40)	41											41
FIXED EXPENSES:	42											42
HEAT, LIGHT, POWER & WATER	43											43
RENT	44											44
AMORTIZATION - LEASEHOLD IMPROVEMENTS	45											45
REPAIRS & MAINT. - OWN & LEASED PROPERTY	46											46
DEPRECIATION - BUILDINGS & IMPROVEMENTS	47											47
INSURANCE - BUILDINGS & IMPROVEMENTS	48											48
INSURANCE - OTHER	49											49
REAL ESTATE TAXES	50											50
TAXES - OTHER	51											51
MORTGAGE INTEREST	52											52
DEPRECIATION - EQUIPMENT & FIXTURES	53											53
EQUIPMENT RENTAL	54											54
REPAIRS & MAINTENANCE - EQUIPMENT	55											55
TOTAL FIXED EXPENSES (LINES 43 THRU 55)	56											56
TOTAL OPER. EXPENSES (LINES 9,21,41 & 56)	57											57
NET OPERATING PROFIT (LINE 2 MINUS 57)	58											58

DEALER NAME:		STATEMENT PERIOD:						PAGE 7				
Example Dealer		Jan 2012 - Apr 2012										
STATEMENT OF INCOME AND EXPENSE												
DESCRIPTION	LINE NO.	ACCT NO.	TOTAL			BRAND PAINT & BODY			OTHER PAINT & BODY			LINE NO.
			BRAND PAINT & BODY + OTHER PAINT & BODY			CURRENT MONTH	YEAR-TO-DATE	%	CURRENT MONTH	YEAR-TO-DATE	%	
SALES	1											1
OPERATING INCOME (FROM PAGE 9)	2											2
SELLING EXPENSES:	3											3
CUSTOMER RELATIONS & ADJUSTMENTS	4											4
TRANSPORTATION CLAIMS	5											5
WARRANTY & USED VEHICLE GUARANTEE	6											6
ADVERTISING	7											7
SALES PROMOTION	8											8
TOTAL SELLING EXP. (LINES 4 THRU 8)	9											9
EMPLOYMENT EXPENSES:	10											10
SALARIES - OWNERS	11											11
COMPENSATION - SUPERVISION	12											12
SALARIES & WAGES - CLERICAL	13											13
SALARIES & WAGES - OTHER	14											14
COMPENSATION - SPECIALISTS	15											15
ABSENTEE, VACATION & HOLIDAY PAY	16											16
WORKERS' COMPENSATION INSURANCE	17											17
PAYROLL TAXES	18											18
PENSION	19											19
OTHER EMPLOYEE EXPENSES / BENEFITS	20											20
TOTAL EMPLOYMENT EXP. (LINES 11 THRU 20)	21											21
SEMI-FIXED EXPENSES:	22											22
COMEBACKS	23											23
SUPPLIES AND SMALL TOOLS	24											24
UNIFORMS AND LAUNDRY	25											25
TRAINING	26											26
COMPANY VEHICLES - EXPENSES	27											27
VEHICLE LOANERS - EXPENSES	28											28
FREIGHT, EXPRESS AND CARTAGE	29											29
CONSULTING & GROUP MANAGEMENT FEES	30											30
OTHER DEPRECIABLE ASSETS - EXPENSES	31											31
DATA PROCESSING EXPENSES	32											32
POSTAGE, STATIONERY & OFF. SUPPLIES	33											33
TELEPHONE	34											34
TRAVEL AND ENTERTAINMENT	35											35
MEMBERSHIP DUES & SUBSCRIPTIONS	36											36
PROFESSIONAL FEES	37											37
CONTRIBUTIONS	38											38
BAD DEBTS	39											39
MISCELLANEOUS EXPENSES	40											40
TOTAL SEMI-FIXED EXPENSES (LINES 23 THRU 40)	41											41
FIXED EXPENSES:	42											42
HEAT, LIGHT, POWER & WATER	43											43
RENT	44											44
AMORTIZATION - LEASEHOLD IMPROVEMENTS	45											45
REPAIRS & MAINT. - OWN & LEASED PROPERTY	46											46
DEPRECIATION - BUILDINGS & IMPROVEMENTS	47											47
INSURANCE - BUILDINGS & IMPROVEMENTS	48											48
INSURANCE - OTHER	49											49
REAL ESTATE TAXES	50											50
TAXES - OTHER	51											51
MORTGAGE INTEREST	52											52
DEPRECIATION - EQUIPMENT & FIXTURES	53											53
EQUIPMENT RENTAL	54											54
REPAIRS & MAINTENANCE - EQUIPMENT	55											55
TOTAL FIXED EXPENSES (LINES 43 THRU 55)	56											56
TOTAL OPER. EXPENSES (LINES 9,21,41 & 56)	57											57
NET OPERATING PROFIT (LINE 2 MINUS 57)	58											58

DEALER NAME:		STATEMENT PERIOD:				PAGE 8			
Example Dealer		Jan 2012 - Apr 2012							
GROSS PROFIT ANALYSIS									
NEW VEHICLES	LINE NO.	ACCT NO.	CURRENT MONTH			YEAR-TO-DATE			LINE NO.
			UNITS	SALES	GROSS PROFIT	PNVR	UNITS	SALES	
MODEL 1	1								1
MODEL 2	2								2
MODEL 3	3								3
MODEL 4	4								4
MODEL 5	5								5
MODEL 6	6								6
MODEL 7	7								7
MODEL 8	8								8
MODEL 9	9								9
MODEL 10	10								10
MODEL 11	11								11
MODEL 12	12								12
MODEL 13	13								13
MODEL 14	14								14
MODEL 15	15								15
MODEL 16	16								16
MODEL 17	17								17
MODEL 18	18								18
MODEL 19	19								19
MODEL 20	20								20
MODEL 21	21								21
MODEL 22	22								22
MODEL 23	23								23
DISCONTINUED MODELS	24								24
TOTAL NEW RETAIL (LINES 1 THRU 24)	25								25
FLEET	26								26
DEMO	27								27
TOTAL NEW (LINES 26 THRU 28)	29								29
OTHER MAKES - NEW	30								30
F&I SERVICE CONTRACTS - NEW	31								31
F&I OTHER PRODUCTS - NEW	32								32
F&I RESERVE - NEW	33								33
REPOSESSION LOSSES - NEW	34								34
COST OF SALES ADJUSTMENT LIFO - NEW	35								35
TOTAL NEW VEHICLES (LINES 29 THRU 35)	36								36
USED VEHICLES	37								37
CERTIFIED PRE-OWNED - RETAIL	38								38
CERTIFIED PRE-OWNED - RETAIL RECONDITIONING	39								39
USED	40								40
USED RECONDITIONING	41								41
OTHER MAKES - USED	42								42
OTHER MAKES - USED RECONDITIONING	43								43
RESERVED 1	44								44
RESERVED 2	45								45
SUBTOTAL USED RETAIL VEHICLES (LINES 38 THRU 45)	46								46
WHOLESALE	47								47
INVENTORY ADJUSTMENTS	48								48
F&I RESERVE - USED	49								49
F&I SERVICE CONTRACTS - USED	50								50
F&I OTHER PRODUCTS - USED	51								51
REPOSESSION LOSSES - USED	52								52
COST OF SALES ADJUSTMENT LIFO - USED	53								53
TOTAL USED VEHICLES (LINES 46 THRU 53)	54								54
TOTAL PERSONNEL EMPLOYED	55								55
	TOTAL	NEW	USED	SERVICE	P&B	P&A			56
OWNERS									57
GENERAL MANAGER									58
DEPARTMENT MANAGER									59
F&I MANAGER									60
SALESPEOPLE - OTHER									61
BRAND SALESPEOPLE									62
FOREMAN									63
DISPATCHER									64
SERVICE ADVISOR - OTHER									65
BRAND SERVICE ADVISORS									66
TECHNICIANS - OTHER									67
BRAND TECHNICIANS									68
PORTERS, ETC.									69
PARTS PERSONNEL - OTHER									70
BRAND PARTS PERSONNEL									71
OFFICE MANAGER									72
CLERICAL									73
TOTAL									74

DEALER NAME:		STATEMENT PERIOD:								PAGE 9			
Example Dealer		Jan 2012 - Apr 2012											
GROSS PROFIT ANALYSIS													
SERVICE	LINE NO.	ACCT NO.	CURRENT MONTH				YEAR-TO-DATE				LINE NO.		
			RO'S	SALES	GROSS PROFIT	G.P. %	RO'S	SALES	GROSS PROFIT	G.P. %			
MECHANICAL LABOR - CUSTOMER - BRAND	1									1			
MECHANICAL LABOR - WARRANTY - BRAND	2									2			
MECHANICAL LABOR - COMPLIMENTARY MAINTENANCE - BRAND	3									3			
MECHANICAL LABOR - INTERNAL - BRAND	4									4			
TOTAL MECHANICAL LABOR BRAND (LINES 1 THRU 4)	5									5			
MECHANICAL LABOR - CUSTOMER - OTHER MAKES	6									6			
MECHANICAL LABOR - WARRANTY - OTHER MAKES	7									7			
MECHANICAL LABOR - INTERNAL - OTHER MAKES	8									8			
UNAPPLIED SERVICE LABOR	9									9			
TOTAL MECHANICAL LABOR (LINES 10 THRU 15)	10									10			
OTHER SHOP MATERIAL / GAS, OIL AND GREASE	11									11			
SUBLET REPAIRS - SERVICE ALL	12									12			
TOTAL SERVICE (LINES 10 THRU 16)	13									13			
PAINT & BODY	14									14			
LABOR - CUSTOMER SALES - BRAND	15									15			
LABOR - WARRANTY SALES - BRAND	16									16			
LABOR - INTERNAL SALES - BRAND	17									17			
TOTAL PAINT & BODY LABOR BRAND (LINES 21 THRU 23)	18									18			
LABOR - CUSTOMER SALES - OTHER	19									19			
LABOR - WARRANTY SALES - OTHER	20									20			
LABOR - INTERNAL SALES - OTHER	21									21			
PAINT, COMPOUND & OTHER MATERIALS	22									22			
SUBLET REPAIRS - PAINT & BODY ALL	23									23			
TOTAL PAINT & BODY (LINES 24 THRU 25)	24									24			
PARTS & ACCESSORIES	25									25			
BRAND P&A SERVICE R.O. - CUSTOMER	26									26			
BRAND P&A SERVICE R.O. - WARRANTY	27									27			
BRAND P&A SERVICE R.O. - COMPLIMENTARY MAINTENANCE	28									28			
BRAND P&A SERVICE R.O. - INTERNAL	29									29			
TOTAL BRAND P&A SERVICE RO (LINES 32 THRU 35)	30									30			
BRAND P&A SERVICE RO - SERVICE EXPRESS	31									31			
BRAND P&A SERVICE R.O. - INTERNAL BRAND	32									32			
TOTAL BRAND P&A SERVICE EXPRESS (LINES 37 THRU 39)	33									33			
TOTAL BRAND P&A SERVICE RO (LINES 36, 40)	34									34			
BRAND P&A P&B R.O. - CUSTOMER	35									35			
BRAND P&A P&B R.O. - WARRANTY	36									36			
BRAND P&A P&B R.O. - INTERNAL	37									37			
TOTAL BRAND P&A PAINT & BODY RO (LINES 42 THRU 44)	38									38			
BRAND P&A COUNTER - RETAIL	39									39			
BRAND P&A COUNTER - WHOLESALE	40									40			
BRAND P&A COUNTER - DEALER TO DEALER	41									41			
TOTAL BRAND P&A (LINES 41, 46 THRU 48)	42									42			
OTHER P&A SERVICE / P&B R.O. - CUSTOMER	43									43			
OTHER P&A SERVICE / P&B R.O. - WARRANTY	44									44			
OTHER P&A SERVICE / P&B R.O. - INTERNAL	45									45			
OTHER P&A COUNTER RETAIL / WHOLESALE	46									46			
INVENTORY ADJUSTMENT - P&A	47									47			
OTHER INVENTORY ADJUSTMENT - P&A	48									48			
COST OF SALES ADJUSTMENT LIFO - P&A	49									49			
TOTAL PARTS & ACCESSORIES (LINES 50 THRU 57)	50									50			
TOTAL SERVICE, P&B, P&A (LINES 10,30,50)	51									51			
GRAND TOTAL (PAGE 8 LINES 26, 64 + PAGE 9 LINE 50)	52									52			
FIXED OPERATIONS STATISTICS										53			
SOLD HOURS - SERVICE				VEHICLE ATTENDANCE*				PRODUCTIVE WORK BAYS - SERVICE			54		
CUSTOMER	BRAND MTD	BRAND YTD	OTHER MTD	OTHER YTD	SERVICE MTD	SERVICE YTD	P&B MTD	P&B YTD	TOTAL	BRAND	OTHER	55	
WARRANTY												56	
COMPL. SERVICE												57	
SERVICE EXPRESS												58	
INTERNAL												59	
TOTAL												60	
										LABOR RATES (BOOR RATES)		61	
										CUSTOMER	BRAND	OTHER	62
										WARRANTY			63
										INTERNAL			64
										BODY			65
													66
													67
													68
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Exhibit E

Common data elements (KPIs) and definitions

Performance Metrics

- New Vehicle Sales Effectiveness – the number of vehicles sold at the dealership divided by the opportunity/expected
- Service Effectiveness (% of Units in Operation) – the number of unique service customers divided by the local units in operation

Financial Elements – Balance Sheet

- Return on Investment – net profit divided by expenses
- Return on Equity – net profit divided by owner’s equity
- New Working Capital as a % of Guide - the amount of working capital relative to the “guide” value based upon the sales throughput of the dealership as determine by the manufacturer
- Owner's Equity as a % of Guide – the amount of owner’s equity (Assets – Liabilities) relative to the “guide” value based upon the sales throughput of the dealership as determine by the manufacturer
- Average Inventory Value @ Cost – the average value of an inventory unit at the price paid for that unit
- Average Cost of Sale PUVR – the average expenses incurred for selling a vehicle per used vehicle sold at retail
- Used Over 60 Days (as a % of total inventory) – the percent of all used inventory (in dollars) that is has been at the dealership over 60 days

Financial Elements – Operations/Departmental

Total Dealership

- Gross Profit as a % of Sales – the amount of total profit relative to total sales
- Return on Sales – net income divided by total sales
- Total Operating Expenses PNVR – variable and fixed expenses divided by the number of new vehicles sold at retail
- Net Operating Profit PNVR – operating profit divided by the number of new vehicles retailed sold at retail
- Other Income and Deductions as a % of Net Profit BBIT – there are various areas on the income statement where a dealer states other incomes and deductions as in income or deductions for profits or losses on equity sales. These are divided by the net profit before bonus and income tax.

New Vehicle Department

- Fixed Absorption - total gross profit from the sale of parts and labor, which is sales minus the cost of parts and labor sales, divided by the total fixed expenses
- Retail Units per Salesperson – total sales units divided by the number of full time equivalent salespeople in the new vehicle department
- Floor Plan Interest per Unit – the amount of interest paid on vehicles being held in inventory divided by the number of units in inventory

- Inventory Days Supply – the number of days of sales that can be covered by the existing inventory at the current sales rate
- Commission per Salesperson – the total commissions amount for salespeople in the new vehicle department divided by the number of full time salesperson equivalents

Used Vehicle Department

- Used : New Ratio – the number of used vehicles sold divided by the number of new vehicles sold
- Wholesale : Total Used Ratio – the number of used vehicles wholesaled divided by the total number of used vehicles sold

Service Department

- R.O.s per Service Advisor – the total number of repair orders in the service department divided by the number full time equivalent service advisors
- Sales per Service Advisor – the total amount of sales in the service department divided by the number full time equivalent service advisors
- Effective Labor Rate
- Total Customer Sold Hours per Customer Pay R.O. – the total number of customer pay hours sold in the service department divided by the number of customer pay repair orders
- Gross per Technician – total gross profit in the service department divided by the number of full time equivalents for service technicians
- Sales per Technician – total sales in the service department divided by the number of full time equivalents for service technicians
- Technician Efficiency - the technician time spent working on a vehicle divided by the flat rate time received
- Technician Productivity - the time the technician is physically present to work divided by the actual working hours spent during the day

Parts Department

- Sales per Parts Person – total sales in the parts department divided by the number of full time equivalent parts personnel
- Gross Profit per Parts Person – total gross profit in the parts department divided by the number of full time equivalent parts personnel
- Parts R.O. Sales per UIO – total parts sales relative to repair orders (in the service department) as a percent of the units in operation in the local area
- Parts Sold per Customer R.O. – total parts department sales for customer pay divided by the number of customer pay repair orders
- Internal Parts Sold PNVR – total parts sales through internal service divided by the number of new vehicles sold at retail
- Parts Inventory Turn (Days) – the number of days on average required to replace parts inventory (in dollars)