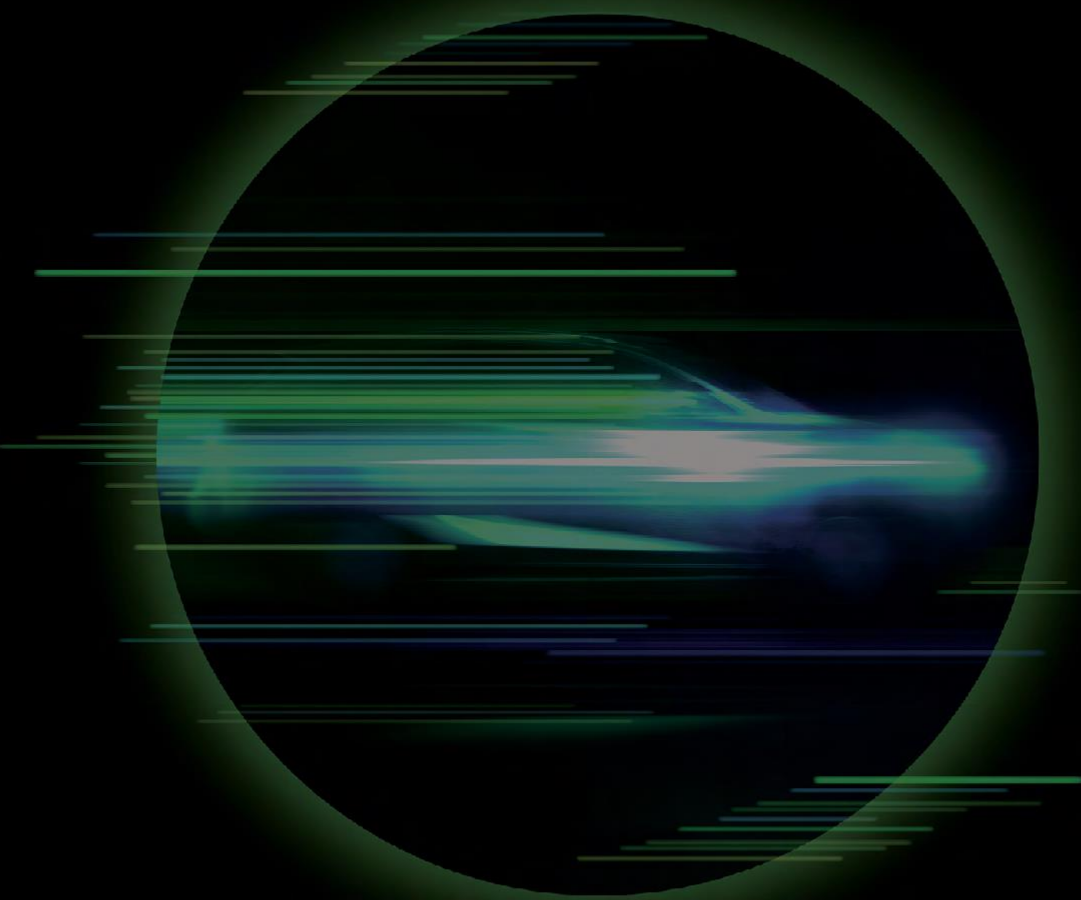


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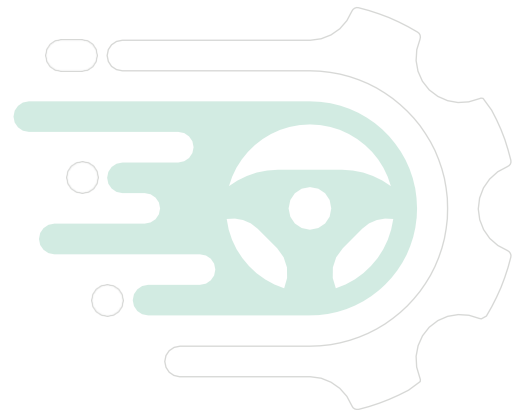
2023 Benchmarks

Truck Dealerships

Profit*focus*[™]

Introduction

To support dealers in these changing times, we are delighted to present our 2023 Dealership Benchmarks for the Australian Truck market.



Benchmarking your dealership

Benchmarking is an excellent method of monitoring performance and setting goals for your business and staff.

These benchmarks are a measure of best practice across the industry and are based on the performance of the top 30% of Truck dealers in the eProfitFocus database.

The starting point for these benchmarks is the data uploaded to the eProfitFocus system by heavy commercial dealers in the Australian market. The actual results of the top 30% of dealers in each key department (new, used, parts, service and finance & insurance), as well as the top performers overall, form the reference point.

This ensures that the benchmarks are always tied to actual levels of performance that are achievable in the prevailing market. We then review this raw data in the light of industry trends and long-held best practices to derive a set of benchmarks.

After two years of pandemic-driven disruption, we have again been able to call on a full 12 months' data from the eProfitFocus database. However, while COVID is largely behind us, its ripples are still being felt across various aspects of the industry.

To counter this and provide a robust set of benchmarks for use in 2023, we have pooled all the data together to develop a single set of benchmarks that cover the overall heavy commercial market, rather than splitting the benchmarks into sub-segments as we have in previous years.

This booklet is intended as a guide to dealership performance. Some dealerships, due to certain geographic or demographic circumstances, may not be able to achieve all the guidelines.

We are always happy to discuss any aspect of these benchmarks, so please feel free to contact the Deloitte team at www.eprofitfocus.com

Total dealership

Trading summary

Net profit as % of sales	5.5 - 6.2%
Days to dealership breakeven*	18-20

* Based on a full month i.e. 30 days

Dealership structure	Orientation	GP %
New	44%	9 - 11%
Used	11%	14 - 15%
Parts	18%	23 - 27%
Service	27%	57 - 61%
	100%	13 - 14%
Front end (vehicle operations)	55%	
Back end (fixed operations)	45%	
Finance and insurance income	6% of total gross	

Orientation = Where does the gross come from?

GP% = How strong are my margins?

People

Gross per employee per month	\$23,900
Net profit per employee per month	\$11,200

Vehicle operations

Product	New	Used
Gross profit per unit*	\$8,100-\$8,550	\$8,500-\$8,900
Used/new ratio (retail)	n/a	0.4
Days supply	50 - 55	55 - 65
Stock turns per annum	6 to 7	6 to 7

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

People	New	Used
Units per sales staff per month	16	10
Gross profit per salesperson per month	\$133,600	\$87,000

Finance and Insurance (F&I)

F&I Product	New	Used
Finance penetration	14 - 18%	26 - 28%
Finance income per contract	\$4,200-\$4,600	\$4,900-\$5,300
Finance per retail unit sold	\$705	\$1,375
F&I selling gross per vehicle retailed		\$600-\$650

People*

Vehicles retailed per full-time equivalent F&I staff / month	80-100
Salaries and commissions as a % of income	12-15%
F&I income per dept employee per month	\$90,000-\$110,000

* The dealers used for this exercise have only 0.5 staff dedicated to F&I per dealer. Metrics in this section have been grossed up to full-time equivalent levels to allow them to be compared across time and segments.

Fixed operations

Parts department	Sales mix %	GP %
Retail/counter	21%	26%
Wholesale/trade	27%	26%
Workshop	28%	28%
Warranty	18%	15%
Internal	6%	18%
Total	100%	23 - 27%

Operational benchmarks

Days supply	55 - 60
Stock turns per annum	6 to 7
Monthly sales per employee	\$148,300
Monthly gross per employee	\$37,200
\$ sales per \$ salary	\$21.20

Service department	Sales mix %	GP %
Labour		
• Retail	69%	74%
• Warranty	10%	59%
• Internal	21%	70%
Total Labour Sales	100%	68%
Sublet sales		14%
Total gross profit (% sales)		57-61%

Operational benchmarks

Performance Index (productivity x efficiency)	85-95%
Monthly labour sales per technician	\$23,350
Monthly labour gross per technician	\$15,800
Parts/labour ratio	\$0.85
Ratio of chargeable to non-chargeable	1.9
Parts and service absorption	70%

Department profitability

Vehicle operations	% Gross	New	% Gross	Used**
		\$/Unit		\$/Unit
Gross Profit*	100%	8150-8550	100%	8500-8900
Sales staff salaries and comms	11.1%	931	0.6%	53
Manager salaries and comms	5.3%	441	0.5%	44
Aftermarket salaries and comms	0.8%	68	–	–
Other salaries	2.0%	171	–	–
Pre-delivery costs	2.9%	241	–	–
Free service/policy	1.0%	86	–	–
Used Warranty	–	–	1.0%	87
Advertising	2.4%	201	–	–
Training	0.1%	9	0.5%	44
Floorplan	5.3%	446	0.7%	61
Demonstrator expenses	2.8%	234	1.0%	87
Selling gross profit	66.1%	\$5,522	95.7%	\$8,324
Selling gross profit per salesperson		\$88,400		\$83,259
Selling gross profit per employee		\$43,477		\$52,553

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

** Most Top 30% Truck dealerships do not have dedicated used department headcount, but allocate a share of new department headcount.

Fixed operations	Parts % gross	Service % gross
Salaries (non-chargeable)	19.1%	26.1%
Advertising and promotion	0.1%	1.0%
Training	–	1.7%
Policy/freight	1.7%	0.9%
Tools and supplies	0.1%	0.5%
Equipment and vehicle maintenance	2.8%	2.7%
Sick/holiday—technicians	n/a	9.1%
Selling gross profit	76.2%	58.0%
Selling gross profit per technician	–	\$12,170
Selling gross profit per employee	\$28,300	\$7,920

Dealership overheads

	% Gross
Administration & Salaries	5.3%
Bad Debts	0.1%
Bank charges and taxes	0.1%
Data Processing	1.2%
Depreciation	1.3%
Electricity	0.9%
FBT (net of contributions)	0.1%
Insurance (including workers compensation)	3.0%
Interest (overdraft/working capital)	0.4%
Long Service Leave	0.4%
Management fees	–
Miscellaneous	3.5%
Office Supplies / Stationery	0.4%
Payroll Tax	1.9%
Professional fees	0.3%
Property maintenance / outside services	1.7%
Rates & Taxes	2.0%
Rent (or mortgage interest)	6.2%
Superannuation	4.1%
Telephone	0.7%
Training	0.1%
Travel & Entertainment	0.2%
Total fixed expenses	34%

Overheads are shown as a percentage of total dealership gross profit. This includes gross profit from the New, Used, Parts and Service departments, but excludes net F&I income which is brought into dealership profit at a selling gross level.

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