

Deloitte.

*Profitfocus*TM



Performance Reporting Accounting Policy

October 2016

Contents

Introduction to the Reporting Philosophy	4
Your Upload Process	5
The Dealer Input Sheet	6
Allocation of Shared Accounts	7
Summary Information	8
New Vehicle Department	9
Used Vehicle Department	14
Finance & Insurance Department	17
Parts Department	21
Service Department	22
Administration Department	25
Personnel Adjustments	29
FAQS	31

Our aim

To enable dealerships to use ProfitFocus as a proactive management tool to drive their dealership to its optimum performance and profitability

Purpose of this guide

This guide will explain the reporting methodologies behind submitting the dealership's monthly data through [eProfitFocus](#) for your reporting. Application of these principles will ensure compliance with both the ProfitFocus and reporting franchise reporting requirements.

Standard reporting requirements ensure that data used for comparative composite and benchmarking purposes is consistent, reliable and accurate.

This guide has been segmented into three parts.

1. An introduction to the [ProfitFocus reporting philosophy](#) including an explanation of the data upload process and the general principles in reporting that underpin the data collection logic
2. A detailed breakdown by section of the [dealer input sheet](#) (core tool used by dealerships in the data upload process)
3. A [FAQ](#) section providing answers to the commonly asked questions that relate to reporting.



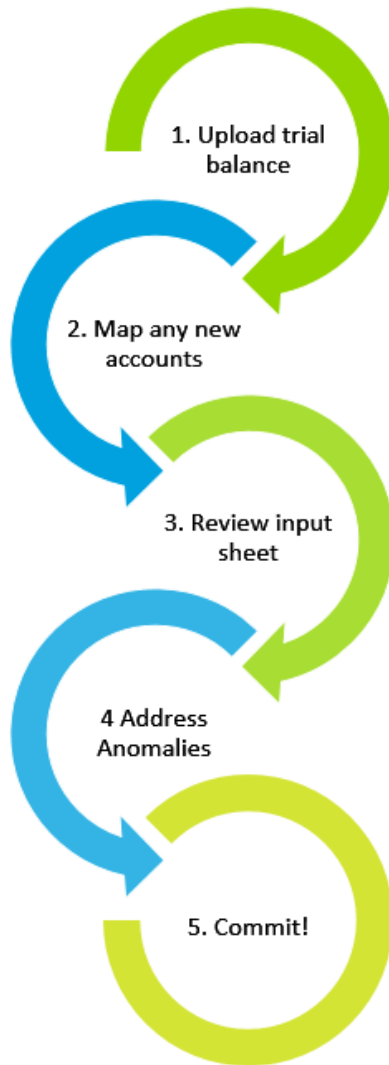
Introduction to the reporting philosophy

What is ProfitFocus™ and what is eProfitFocus™?

ProfitFocus was established to assist the motor industry in the journey that is driving and sustaining long term profitability. Our clients include dealerships (passenger, commercial, motorcycles and trucks), vehicle manufactures, importers and distributors. ProfitFocus provides an extensive range of products and services including reporting, benchmarking, training, one-on-one dealership reviews, franchise reviews and more.

eProfitFocus is the online dealership financial data reporting and monitoring system for the motor industry available upon login at www.eprofitfocus.com.





Your Upload Process

<p>Step 1</p>	<p>Upload a Trial Balance compatible with the eProfitFocus system.</p> <p>Where not directly exportable, a trial balance viewable in Excel can be formatted into one of our compatible trial balance formats.</p>
<p>Step 2</p>	<p>Lodge a mapping change request with the ProfitFocus support desk for new accounts that have been created. Refer to the Quick Reference Guide on lodging a mapping change request. Turn-around-time for mapping change requests is within 24 hours during weekdays.</p>
<p>Step 3</p>	<p>Once all accounts have been mapped, a dealership will:</p> <ul style="list-style-type: none"> • Regenerate the TB that was uploaded to pick up new accounts that have been mapped • Check upload by reviewing all tabs on the online or offline input sheet.
<p>Step 4</p>	<p>The system will detect and display <i>Anomalies</i> based on the submission. A dealership would simply click on each anomaly:</p> <ol style="list-style-type: none"> Update the value if it appears incorrect OR Send through a mapping request if it has been mapped to a wrong account OR If the value is correct, enter in supporting comments and click on Accept Anomaly for this upload and then save.
<p>Step 5</p>	<p>After addressing anomalies, a dealership will conduct a final review on the changes; add in further comments and Commit. This will mark the submission as complete for the month.</p>

The dealer input sheet

The dealer input sheet is the backbone of the entire reporting process. This file reflects how each department is a unique business and operated as a separate cost centres.

Use this section to overcome any inconsistencies in internal dealership accounting policies between different dealers through an outline of the information that should be included in each field in the input sheet. This will ensure that your data is accurate, consistent and comparable to other dealerships and industry benchmarks.

Status bar

Upload Data Check Upload Review Anomalies Confirmation

The trial balance uploaded contained the following information. Please review and confirm that these figures are correct before continuing.
The trial balance contained multiple dealership. Please first select a dealership to check.

Site Franchise Period Sep 2015 - Uploaded

Site and Franchise filter applies for business unit users

Summary Tab	Allocations	New - Franchise	New - Retail Summary	New - Other Income & Expenses	New - Stock & Other items
Used - Sales	Used - Other Income & Expenses	Used - Stock	F&I	Parts	Service
Admin	Employees	Balance_Sheet	CRM		
[-] Summary - New Vehicles		Sample	OTHER	TOTAL	
Retail Units	0	0	Anomalies has replaced Errors and Warnings		
Total Variable Expenses	0	0			
Total Transactional Gross Profit	0	0			
Direct Sales Gross	N/A	N/A			
Demonstrator Gross	0	0			
Wholesales to other dealers	0	0			
Government Gross	1	0			
Fleet Gross	1204894.94	0	1,204,894.94		
Retail Gross	0	0			
Total Sales	0	0			
Direct Sales Sales	N/A	N/A			

Action Items

- Total Employee. Admin Employee numbers are not entered or are negative but Salaries exist
- Total Employee. New Vehicles Sales Employee number is not entered (or is negative). (Note: If Manager acts as

Quick Links

- Request Mapping Change
- Download Mappings (csv)
- View all unmapped accounts
- Refer Accounting Manual

Initial Net Profit	88362.17	Adjusted Net Profit	88362.17	Variance	0.00
--------------------	----------	---------------------	----------	----------	------

Real-time Reconciliation

Previous

Allocation of Shared Accounts

Where applicable, all departments should be reported such that the reporting franchises are separated out from other franchises where applicable.

Where a dealership does not account for the reporting franchise transactions separately to other franchises, they can refer to the Accounts Allocation Table to accurately reflect the performance of the reporting franchise.

The allocations tab allows dealerships to accurately portion the expenses that are shared across multiple franchises, providing improved data quality, further detail and accuracy in performance reporting.

TIP: Click on **Show \$ amount** to see \$ portion amount

Acc #	Account Description	Code	Mapped Value	Sample	OTHER
NCVE6985	Policy / Statutory warranty	OUV_E_VE_MP	\$0.00	30.000 %	70%
NCVJ9020	Incentives - Manager	OFl_E_VE_COMU	\$5,385.72	34.000 %	66%
NCVJ9010	Commission - Sales people	OFl_E_VE_COMU	\$1,513.22	100.000 %	0%
NCVJ9005	Salaries - Other	OFl_E_SF_SAL	\$4,823.06	100.000 %	0%
NCVJ7662	F & I Used COS - Aftermarket	OUV_I_AM_AFM	\$8,826.00	100.000 %	0%
NCVJ7661	F & I Used Sales - Aftermarket	OUV_I_AM_AFM	\$-17,655.01	100.000 %	0%

Initial Net Profit: 0 Adjusted Net Profit: 42001 Variance:

Buttons: Previous, Export Worksheet, Upload Worksheet, **Download Allocation**, Upload Allocation, Reset, Save

TIP: If a blanket % applies to all expenses, use **Download/Upload Allocations**, this function will save you time on updating each allocation accounts

Any general ledger account that is not mapped directly to the Reporting Franchise will appear in the allocations page. By default, 100% of the general ledger account's value will be in the 'Other' column. If you would like to allocate a portion of the general ledger account value to the Reporting Franchise, this can be done in the Allocation Tab or by clicking the 'Download Allocations' Tab.

Typically, for multi-franchise dealerships, their general ledger accounts for: Used, F+I, Parts expenses, Service expenses and Admin expenses are shared across all franchises, for example; 'Used Retail Passenger Sales' is a single general ledger account for used car sales that does not belong entirely to the reporting franchise. As result, it will appear in the Allocations Tab and a portion will need to be allocated to the Reporting Franchise.

Summary Information

Profit & Loss Snapshot

This extract provides a summarised view of each department's performance in arriving at the total dealership net profit figure that is based on your trial balance upload and mappings.

Discrepancies

Discrepancies between departments may occur due to the focus on consistency in mapping. However, it is important to note that despite any discrepancies, *the total dealership net profit should match against your management accounts.*

What to do if the P&L snapshot does not match your internal records?

Send a trial balance through to the eProfitFocus support desk at eprofitfocus@deloitte.com.au with the correct profit figure for the month so they can review your mapping to reduce the discrepancy.

The screenshot displays the eProfitFocus software interface. At the top, a progress bar shows four stages: 'Upload Data' (completed), 'Check Upload' (current), 'Review Anomalies', and 'Confirmation'. Below the progress bar, a message states: 'The trial balance uploaded contained the following information. Please review and confirm that these figures are correct before continuing. The trial balance contained multiple dealership. Please first select a dealership to check.' Below this message are dropdown menus for 'Site', 'Franchise', and 'Period' (set to 'Sep 2015 - Uploaded'), along with a 'Filter' button.

The main content area features a 'Summary Tab' with various sub-tabs: 'Allocations', 'New - Franchise', 'New - Retail Summary', 'New - Other Income & Expenses', and 'New - Stock & Other items'. The 'Summary Tab' is active, showing a table with columns for 'Sample', 'OTHER', and 'TOTAL'. The table lists various financial items and their values.

On the right side, there is an 'Action Items' panel with 'Anomalies' and 'Quick Links'. The 'Anomalies' section lists two items: 'Total Employee. Admin Employee numbers are not entered or are negative but Salaries exist' and 'Total Employee. New Vehicles Sales Employee number is not entered (or is negative). (Note: If Manager acts as...'. The 'Quick Links' section includes 'Request Mapping Change', 'Download Mappings (csv)', 'View all unmapped accounts', and 'Refer Accounting Manual'.

At the bottom, a reconciliation summary table is shown, enclosed in a green box. It displays 'Initial Net Profit' as 88362.17, 'Adjusted Net Profit' as 88362.17, and 'Variance' as 0.00. Below this table are several buttons: 'Previous', 'Export Worksheet', 'Upload Worksheet', 'Download Allocation', 'Upload Allocation', 'Reset', 'Save', 'Next', and 'Review Anomalies'.

Real-time Reconciliation

New vehicle department

Allocate vehicle sales to retail, fleet or government/rental and demonstrator respectively.

Classification	Reporting Franchise	Other Franchises
Retail	All reporting franchise vehicle sales should be split by model line	Other franchise vehicles are to be separated by franchise but are not required to be split by model line
Fleet/Government & Rental	<p>All reporting franchise fleet vehicles irrespective of model range should all be consolidated under the fleet line.</p> <ul style="list-style-type: none"> Fleet is defined as all deals involving leasing companies with no F&I opportunity All deals with a single transaction of 5 vehicles or more <p>All reporting franchise government sales and rental sales are to be put in the Government/Rental line in the reporting franchise section</p>	<p>All other franchise fleet sales should be totalled into the All Fleet Sales line on the Input Sheet – do not put them into an individual franchise line</p> <p>All other franchise government sales should be totally into the All Government/ Rental Sales line on the Input Sheet – do not put them into an individual franchise line</p>

In the sale of new vehicles section, each line requires the three following inputs:

- Sales** The net selling price for each model line (including dealer charges and all fitted options/accessories)
 - Demonstrator sales are to be split by model separate from retail sales
 Excludes holdback, aftermarket and incentive payments.
- Cost of Sales** Inventory value of vehicle and fitted accessories plus model specific **factory bonuses***. The following amounts must be allocated to the COS of the respective vehicle sold:
 - Any add-ons sold with a vehicle or included as to close a deal
 - Vehicle writebacks – depreciation adjustments on inventory sold
 - Vehicle load amounts applied on each vehicle sold
 - Over allowance
 - Lot fees
- * Factory bonuses include:**
 - Tactical bonus including catch up payments
 - Discretionary payments
 - Hotline Support
 - Service Demo and Auxiliary Demo Program entitlements – bonus to be pro-rated evenly against the cost of each demonstrator vehicle sold in the month that the income relates to
 - Ex-fleet purchase bonus – to be offset against the cost of the ex-fleet vehicle when sold in the month of the sales transaction.
- Units** The number of units that correspond to the recorded sales.

New vehicle department

Other Income

Holdback	Holdback is to be separated for each reporting entity. You are required to separate reporting entity franchise payments from those paid by other franchises.
Floorplan Assistance	Refers to factory payments to offset a portion of a dealer's floorplan expenditure. This will include Stock Assistance and Second Transport Assistance.
Aftermarket	Relates to commissions or profits received, resulting from the sale of aftermarket products such as window tints, rust protection etc. Aftermarket income should be separated out from gross for reporting purposes. - <i>Extended warranty</i> (both manufacturer and third party) should <u>not</u> be included here but under insurance in the F&I department.
Incentive Payment	All incentive payments and bonuses that specifically relate to target achievement or new vehicle sales: - Retail bonuses should be included in individual model line gross where applicable. If it is not possible to allocate by model line, record this as incentive payment line.

New vehicle department

Variable Expenses

Commissions and Incentives <i>(Sales People)</i>	Commissions, prizes, gifts and bonuses paid to new vehicle sales consultants. To be split out for aftermarket staff if they are a dedicated resource to selling aftermarket products.
Commissions and Incentives <i>(Sales Managers)</i>	Commissions, prizes, gifts and bonuses paid to new vehicle sales managers. To be split out for aftermarket staff if they are a dedicated resource to selling aftermarket products.
Commissions and Incentives <i>(Aftermarket People)</i>	Commissions, prizes, gifts and bonuses paid to aftermarket staff.
Pre-Delivery	Cost of detailing, service PD, petrol and freight is included under Policy Work.
Free Service	Internal cost of free inspection/service offered to customers.
Maintenance & Policy Work	Goodwill/ policy work carried out.

Semi-Fixed Expenses

Salaries <i>(Sales People)</i>	Salaries paid to or accrued for new vehicle sales people i.e. retainers.
Salaries <i>(Sales Managers)</i>	Salaries paid to or accrued for new vehicle sales managers.
Salaries <i>(Aftermarket People)</i>	Salaries paid to or accrued for aftermarket staff.
Salaries <i>(Other)</i>	Salaries (and commissions) paid to or accrued for other new vehicle staff including cleaners/detailers, stock controllers, specific clerical staff etc.
Sick/Holiday Pay	Sick and annual leave entitlements paid to all new vehicle staff.
Training	Training expense for new vehicle department staff.

New vehicle department

Semi-Fixed Expenses Continued

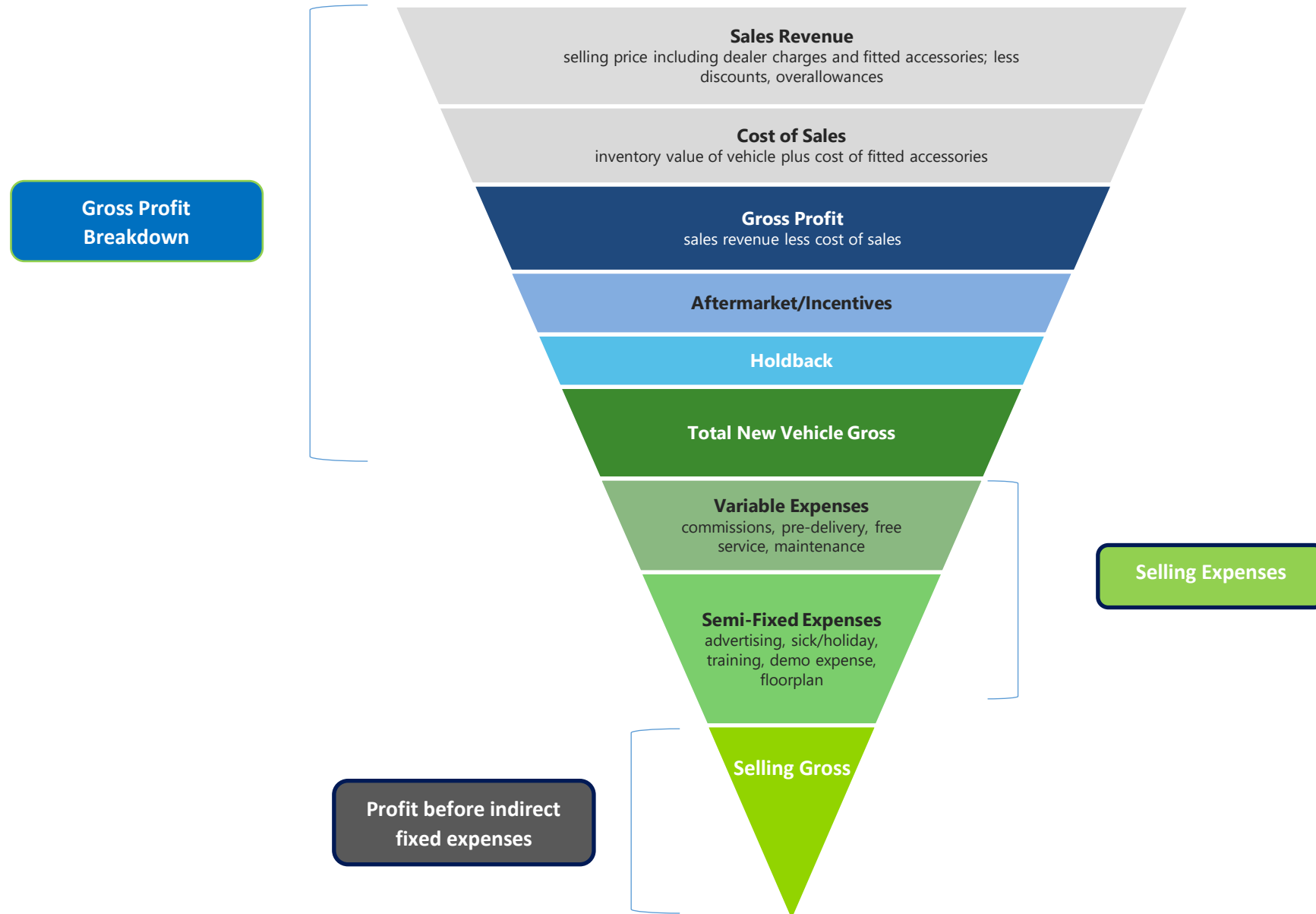
Advertising	<p>All above and below the line and event promotional materials directly related to the new vehicle department</p> <ul style="list-style-type: none">- Includes 3rd party media coverage and sponsorships- Internal or external call centre costs, if this centre is purely used for making marketing or lead generating calls- Amounts paid to hire short term employees specifically for a particular campaign- External marketing agency costs- Mandatory dealer advertising co-op- Tactical marketing fund- Marketing service fee <p>Only the above mentioned items will form part of the consideration of the mandatory dealer advertising spending amount.</p>
Demonstrator Expenses	<p>Cost of maintaining company and demonstrator vehicles in a presentable and saleable order</p> <ul style="list-style-type: none">- Includes fuel, vehicle insurance, repairs and maintenance- Excludes rental, financing and depreciation.
Floorplan Interest	<p>Gross amount of interest expense and charges paid or accrued in respect of bailment outstanding on new vehicles.</p>
Total Semi-fixed expenses	<p>The input sheet will automatically add all the above semi fixed expense totals.</p>

Inventory

Value of New Vehicles on Hand	<p>\$ value of the total inventory on hand split out by the pre-determined aged categories.</p> <ul style="list-style-type: none">- Demonstrator ageing will need to be split out and reported separately in this section.
Units on hand	<p>A breakdown of your vehicle stock by unit numbers using the pre-determined days aging.</p> <ul style="list-style-type: none">- Demonstrators units will need to be split out and reported separately in this section also.

This new vehicle inventory information can be recorded by the 5 ageing category groups (0-30 days, 31-60 days, 61-90 days, 91-120 days, 120+ days) or as total stock held. It is recommended that you split your inventory information by ageing category.

Determining Department Selling Gross



Used vehicle department

Dealerships can choose to report their Used Department activity through **direct mapping** or **percentage allocation**. Refer to **Page 7** for more information.

The input sheet requires dealership Used data to be appropriately recorded in the following sections and fields.

All vehicles sales should be allocated as per the following classification:

Classification	Criteria
Franchise Assured	Reporting franchise vehicles approved to be sold under assurance program.
Franchise Non Assured	All other vehicles previously sold as a New Vehicle with a lapsed original factory warranty.
Balance New Car Warranty	Reporting franchise vehicles previously sold as a New Vehicle with the original factory warranty still active.
Other Makes	Used vehicles sold that are not reporting franchise vehicles. To be recorded as sold by the respective franchise. - i.e. vehicles traded in on a reporting franchise vehicle sale to be recorded in the Used Vehicle department.
Wholesale	Used vehicles sold to a 3 rd party or via a company owned wholesale department/ business unit. - Required to separately report reporting franchise vehicles and Other franchise vehicles.

In the sale of used vehicles section, each line requires the three following inputs:

Sales	Represents the net sale price (including any accessories and delivery charges) of any used passenger or commercial vehicles to retail and wholesale customers respectively.
Cost of Sales	Inventory value of vehicle and fitted accessories less model specific factory bonuses. The following amounts must be allocated to the COS of the respective vehicle sold: <ul style="list-style-type: none"> - Any add-ons sold with a vehicle or included as part of a deal - Vehicle writebacks – depreciations adjustments on inventory sold - Vehicle load amounts applied on each vehicle sold - Over allowance - Excludes pre-delivery work performed.
Units	The number of units that correspond to the recorded sales

Used vehicle department

Other Income

Aftermarket	Relates to commissions or profits received, resulting from the sale of aftermarket products (extended warranties, window tints, rust protection etc.)
Incentives	All incentive payments and bonuses that specifically relate to used vehicle sales.
Other Income	Includes all other income received by the Used Vehicle department.

Variable Expenses

Commissions and Incentives <i>(Sales People)</i>	To be split into commissions and bonuses paid to used vehicle sales consultants. Aftermarket commissions and bonuses to be reported separately if staff are a dedicated resource to selling aftermarket products.
Commissions and Incentives <i>(Sales Managers)</i>	To be split into commissions and bonuses paid to used vehicle sales managers. Aftermarket commissions and bonuses to be reported separately if staff are a dedicated resource to selling aftermarket products.
Commissions and incentives <i>(Aftermarket People)</i>	To be split into commissions and bonuses paid to used vehicle aftermarket staff.
Maintenance and Policy Work	Includes a number of costs: - any costs incurred relating to stock and yard maintenance as well as goodwill/policy - any other variable costs that cannot be categorised into the above categories.
Total Variable Expenses	The input sheet will automatically add all the above variable expense totals.

Used vehicle department

Semi-fixed expenses

Salaries <i>(Sales People)</i>	Salaries paid to or accrued for used vehicle sales people i.e. retainers. Aftermarket to be split out if they are a dedicated resource to selling aftermarket products.
Salaries <i>(Sales Managers)</i>	Salaries paid to or accrued for used vehicle sales managers. Aftermarket to be split out if they are a dedicated resource to selling aftermarket products.
Salaries <i>(Other)</i>	Salaries paid to or accrued for other used vehicle staff including aftermarket sales consultants, cleaners/detailers, stock controllers, specific clerical staff etc.
Sick and holiday pay	Sick and annual leave entitlements paid to all used vehicle staff.
Training	Training expense for used vehicle department staff.
Advertising	Advertising and sales promotions represent a direct expense of the used vehicle department and includes third party media coverage and sponsorships.
Demonstrator Expenses	Are company car expenses which include the cost of maintaining drive cars vehicles in a presentable and saleable order such as cleaning, minor repairs, petrol. Vehicle write-down or write-backs should also be allocated here.
Floorplan Interest	Gross amount of interest expense and charges paid or accrued in respect of bailment's outstanding on used vehicles.
Total Semi-Fixed Expenses	The input sheet will automatically add all the above semi fixed expense totals.

Inventory

Value of Used Vehicles on Hand	\$ value of the total inventory on hand split out by the pre-determined aged categories. - This does not include used vehicle stock that is about to be wholesaled – reported separately below.
Units on Hand	A breakdown of your vehicle stock by unit members using the pre-determined days aging. - This does not include used vehicle stock that is about to be wholesale – reported separately below.

Like the new vehicle department, used vehicle inventory information can be recorded by the 4 ageing category groups (0-30 days, 31-60 days, 61-90 days, 90+ days) or as total stock held.

Finance and Insurance Department

Dealerships can choose to report their F&I Department activity through **direct mapping** or **percentage allocation**. Refer to **Page 7** for more information.

The input sheet requires dealership F & I data to be appropriately recorded in the following sections and fields.

F&I Contracts

Finance Contracts - New Vehicles	The number of Finance Contracts written on new vehicle sales transacted during the month.
Finance Contracts - Used Vehicle	The number of Finance Contracts written on used vehicle sales transacted during the month.
Finance Contracts - Other	The number of other Brokerage Finance Contracts written in the month. - i.e. Finance deals processed on vehicles not sold through the front end of the business.
Insurance Contracts - New Vehicles	The number of new vehicle insurance contracts written in the month. - Each motor vehicle and ancillary insurance product should be recorded as a separate contract. - A contract is to be reported when the sales transaction occurs and not when the insurance commission is received.
Insurance Contracts - Used Vehicles	The number of used vehicle insurance contracts written in the month. - Each motor vehicle and ancillary insurance product should be recorded as a separate contract. - A contract is to be reported when the sales transaction occurs and not when the insurance commission is received.
Insurance Contracts - Other	The number of other Brokerage vehicle insurance contracts written in the month.

Finance and Insurance Department

F&I Income

Finance Income - New Vehicles	Finance commission earned from a financier for selling a new vehicle on finance during the month - Includes Dealer Origination Fee (DOF) less clawbacks - Other Brokerage income to be reported separately.
Finance Income - Used Vehicles	Finance commission earned from a financier selling a used vehicle on finance during the month - Includes Dealer Origination Fee (DOF) less clawbacks - Other Brokerage income to be reported separately.
Finance Income - Other	finance commission earned from a financier for financing a Other Brokerage deal during the month - Includes Dealer Origination Fee (DOF) less clawbacks.
Insurance Income - New Vehicles	Commission received for selling motor vehicle and ancillary insurance products together with a new vehicle sale such as Extended Warranty .
Insurance Income - Used Vehicles	Commission received for selling motor vehicle and ancillary insurance products, such as Extended Warranty , on a used vehicle sale.
Insurance Income - Other	Commission received for selling motor vehicle and ancillary insurance products, such as Extended Warranty .
F & I Renewal Income	Commissions paid from Financiers and Insurers for customers who renew their contract upon expiry - May be received monthly, quarterly or annually depending on the frequency the customer decides to pay their premium - Includes all renewal income for both New and Used vehicles sold.
Finance Offset Income – New Vehicles	Income received to provide a discount on the interest rate used for floorplan charges. - To also include Enticement Bonus , which is additional income to applicable dealers to provide a further discount on their floorplan interest charge.
Finance Offset Income – Used Vehicles	Same as above applies for used vehicles.
Incentive Income	Relates to incentives received for the Finance and Insurance department.

Finance and Insurance Department

Expenses

- Commission** Commissions, incentives and bonuses paid to F&I staff as a result of writing new vehicle finance contracts.
- Salaries** All wages paid to or accrued for direct F&I staff (e.g. retainers, manager's salary)
 - NB: any remuneration paid to aftermarket sales consultants should be included in the vehicle departments and not here in the F&I department.
- Sick/Holiday Pay** Sick and annual leave entitlements paid to all F&I department staff.
- Training** Training expense for F&I department staff.
- Company Vehicle** Costs relating to the maintenance of a company vehicle.
- Other F&I Related Expenses** All other costs directly related to the department.
 - Advertising** Advertising and sales promotion materials directly related to the F&I department and includes 3rd party media coverage and sponsorships.

Parts department

Dealerships can choose to report their Parts Department activity through **direct mapping** or **percentage allocation**. Refer to **Page 7** for more information.

The input sheet requires dealership Parts data to be appropriately recorded in the following sections and fields.

Parts sales and gross profit information should be categorised into the below *types of sale*, where:

Sales	Represents the selling price exclusive of sales tax of parts sold.
Cost of Sales	Represents sales less the inventory value of parts sold.

Types of sale

Wholesale	Consists of parts sold to independent motor trade customers such as other dealers, repairers, panel shops/businesses <u>external</u> of the dealership, garages etc.
Counter Sales	Parts sold to retail/customer over the parts counter.
Service Retail	Includes all parts sold on repair orders (retail, fleet or government related) through the service department.
Body Shop	Includes all parts sold to an internal panel shop or smash repairs business.
Warranty and Policy Claims	Represents the replacement of parts under factory or extended warranty for which a corresponding claim will be raised.
Internal	Includes the selling of parts to other departments within the dealership – this covers parts for pre-delivery, reconditioning and maintenance of demonstrators and drive cars.
Other Merchandise (MSDE)	Consists of all parts sales not included above, and should generally include things such as accessories, tyres, lubricants, non-genuine parts i.e. batteries, promotional merchandise etc.
Parts Inventory Adjustment	Provides for adjustments to parts inventory to reflect changes in value caused by obsolescence, theft, write-down, changes in market value or other variations between book and physical inventory.

Parts department

Other Income

Incentive Payment Should reflect all incentive payments and bonuses that specifically relate to the parts department.

Direct Expenses

Incentive Payment Salaries and/or bonuses paid or accrued to all staff employed in the parts department.

Sick and Holiday Pay Sick and annual leave entitlements paid to all parts department staff.

Training Training expense for parts department staff.

Advertising and Promotion All advertising and sales promotion expended in the parts department including sponsorship, media coverage, displays, trade shows, signage etc.

Policy Adjustment Reflects changes in the value of parts stock due to impairment, obsolesce, theft, changes in market value and write-downs.

Tools and Supplies Includes supplies specific to the parts department and the nature of its operations (not office supplies) e.g. boxes, tape, razor blades, ladders, trolleys etc.

Equipment and Vehicle Maintenance Relates to the expense of repairing and maintaining equipment used in the parts department e.g. computer and microfiche equipment, forklifts, delivery and other parts vehicles.

- all other parts department expenses that do not fit into the above/below categories should be included here.

Inventory Control/Freight Represents expenses incurred in delivering goods to your customers.

Company Vehicle Expense Cost of maintaining company vehicles in a presentable and saleable condition.

Inventory

Value of parts on hand \$ value of your parts stock aged by the months listed: 0-30 days, 31-60 days, 61-90, 91-365 days and >365 days.

If ageing information can be split into 30 day categories, please disregard the < 365 row.

Parts stock information can be recorded into separate ageing category groups or as total stock held.

Service department

Dealerships can choose to report their Service Department activity through **direct mapping** or **percentage allocation**. Refer to **Page 7** for more information.

The input sheet requires dealership used data to be appropriately recorded in the following sections and fields.

Service sales and gross profit information should be categorised into the below *types of sale*, where:

Sales	Represents the selling price of all labour, parts, sublet, oil, grease and other items sold through the service department.
Cost of Sales	Represented by the following: <ul style="list-style-type: none">- Labour cost of sales represents the cost of technicians hours to complete a repair order (refer to 'Types of Sales' below for categorisation). This should exclude any apprentice training time as well as any annual or sick leave expenses.- Other service cost of sales includes the actual cost of parts, sublet repair, fuels, oils or other items.- All discounts should also be allocated to COS.

Types of sale

Retail Repair	Work performed on retail, fleet and government vehicles through the workshop.
Retail Repair – Non Franchise	Retail work performed on non-reporting franchise vehicles through the workshop.
Warranty and Policy claims	Labour sales performed under factory/extended warranty at factory/extended warranty approved labour rates.
Internal (incl. P/D)	Labour sales generated from work performed for other internal departments <ul style="list-style-type: none">- includes work such as accessory fitting, used vehicle reconditioning, free services, pre delivery and company vehicle maintenance.
Sublet Repairs	All work that is outsourced to 3 rd party businesses.
Body Shop Materials	This will include the sale of all miscellaneous items such as petrol, oil and grease batteries etc. through work performed by the dealership's internal panel beating/body work operations (where one exists).

Types of sale continued

Other Merchandise	Sales of miscellaneous items such as Petrol, Oil & Lubricants (POL) .
Workshop Consumables	Other materials used in the workshop.
Unapplied Time	Complete technician/ productive apprentice available hours less all planned leave, sick leave and training less clocked hours.

Other Income

Incentive Payments	Should reflect all incentive payments and bonuses that specifically relate to the services department.
---------------------------	--

Direct Expenses

Salaries	Salaries paid for non-productive staff or portion of technician's time that is non-productive.
Sick and Holiday Pay	Includes accrued technicians' salaries for sick leave, vacation leave or public holidays - Sick/holiday pay for non-chargeable employees should be included in the above salaries line.
Training	Training expense for service department staff.
Advertising and Promotion	All advertising and sales promotion expended in the service department including sponsorship, media coverage, display, trade shows, signage etc.
Policy Adjustment	Associated costs relating to shortfalls or non-receipt of warranty/policy claims e.g. rework not covered by factory warranty and amounts written off due to disputes.
Tools and Supplies	Includes supplies specific to the service department and the nature of its operations (not office supplies) e.g. boxes, tape, razor blades, ladders, trolleys etc.
Equipment and Vehicle Maintenance	All expenses relating to the repairing and maintenance of equipment used in the service department, this includes office and workshop equipment, loan and other vehicles. - all other service department expenses that do not fit into the above/below categories should be included here.
Company Vehicle	All expenses relating to the cost of maintaining a company vehicle.

Service department – Statistics

Service Department Statistics

As this information is not often included in a dealership trial balance, it is important that a dealership manually enter in these fields correctly in order for productivity and efficiency KPIs to be readily calculated in ProfitFocus reports.

Where a dealership has this information in their trial balance, the relevant accounts can be mapped accordingly.

Hours available	Hours technicians are available to work during the month.
Hours clocked	Hours technicians were clocked onto repair orders
Hours sold	Hours technicians' time was sold on repair order
# of repair orders	Number of repair orders in the month
# of work bays (including hoists)	Number of work bays in the service department

Administration & Balance Sheet

Dealerships can choose to report their Used Department activity through **direct mapping** or **percentage allocation**. Refer to **Page 7** for more information.

The input sheet requires dealership Admin data to be appropriately recorded in the following sections and fields.

Dealership Fixed Expenses

Salaries (Administration)	To be split into commissions and bonuses paid to administration staff and managers. Dealer Principal salary includes bonuses and incentives also to be reported separately.
Sick/Holiday Pay	Sick and annual leave entitlements paid to all admin staff.
Fringe Benefits Tax	Represents the net amount of Fringe Benefits Tax (after employee contributions) paid on the provision of benefits.
Payroll Taxes	Amount of payroll tax paid for all employees.
Superannuation	Consists of superannuation paid to all employees.
Long Service Leave	Relates to long service leave expense for all employees.
Rent and Equivalent	Amounts expensed during the period relating to the rental of properties and other equipment: - if the property of the dealership is owned by the operator, a notional rent expense must be charged based on the commercial rent of the property - where the dealership property is mortgaged, you should also include any interest paid on such loans in this figure.
Utilities/Electricity	The amount paid or accrued in respect of the provision of utilities to the dealership e.g. heat, light, gas, power and water.
Telephone	Expenses incurred in relation to telephone, mobile phone, facsimile and computer line rental.
Rates and Taxes	Taxes or charges relating to dealership properties, motor dealership licensing, trade plates and other statutory type expenses.
Office Supplies	Relates to all purchases of stationery, including pens, letterheads, invoices, printer cartridges etc.
Professional Fees	Paid or accrued for solicitors, auditors, accountants and other professional consultants.

Administration & Balance Sheet

Dealership Fixed Expenses Continued

Data Processing	Represents all expenditure in respect of all the dealerships information processing and reporting systems.
Bad Debts	Includes all amounts written off during the period as uncollectable, net of bad debts recovered.
Bank Charges and Taxes	Charges levied by banks for items such as account keeping fees, FID, credit card fees etc.
Interest	Any interest payments made in respect to overdrafts, finance leases, working capital type loans and company credit cards - NB: floorplan interest has already been allocated in the new and used vehicle departments and therefore should be excluded.
Depreciation - New	Retail inventory is recorded at the lower of cost and net realisable value. Should include depreciation on inventory, demonstrators or company vehicles from the new vehicle department. Includes write downs for any damage, obsolescence or other reasons that would cause a loss in value on the above mentioned vehicles. All depreciation or write downs are to be allocated to the cost of sale of the vehicle when sold in the form of a write back
Depreciation - Used	Retail inventory is recorded at the lower of cost and net realisable value. Depreciation on inventory, demonstrators or company vehicles from the used vehicle department. Includes write downs for any damage, obsolescence or other reasons that would cause a loss in value on the above mentioned vehicles. All depreciation or write downs are to be allocated to the cost of sale of the vehicle when sold in the form of a write back
Depreciation – Parts	Depreciation or amortisation of equipment used in the parts department. Includes write downs for any damage, obsolescence or other reasons that would cause a loss in value.
Depreciation - Service	Depreciation or amortisation of equipment used in the service department. Includes write downs for any damage, obsolescence or other reasons that would cause a loss in value.

Administration & Balance Sheet

Dealership Fixed Expenses Continued

Depreciation	All other depreciation or amortisation expenses that cannot be allocated to the individual departments. This includes depreciation of other assets such as low value assets and amortisation of fixed assets such as building, plant and equipment and capitalised finance leases. Impairment expenses are to be included here.
Property Maintenance, Cleaning & Security	General expenses relating to services provided by external agencies including cleaning, security, waste removal, outside payroll services, gardening etc.
Travel and Entertainment	Expenditure on travel and entertainment which may or may not be claimed as an allowable deduction for tax purposes.
Training	Training expenses for admin staff.
Miscellaneous Expenses	Any expenses not included in the above categories, or anything of a sundry nature, should be placed in miscellaneous e.g. donations, fines.
Head Office MGT Fees	Fees charged by a dealer's head office for a distribution of shared centralised expenses.
Total Fixed Expenses	Automatic calculation totalling the expense lines above.

Other income and dealership costs

Other Income	consists of profits made by means other than the operating departments, including: <ul style="list-style-type: none">- interest earned from investments- dividends received from investments- gains on disposal of fixed assets
Dealer Salary	Relates to all salaries, bonuses, and incentives paid to the dealer principal.
Incentive Payments	Relates to incentives received that does not relate specifically to one department.

Administration & Balance Sheet

Profit

Operating Profit	Represents the net profit result of your dealership exclusive of income tax.
Total Adjustment From Standard Journal page	The net effect on profit made by the adjustments made on <i>Staff & Std Jnls</i> – only Adjustments 1 and 4 have an impact on net profit and the total of these adjustments will be in this field.
Adjusted Profit Before Tax	Profit adjusted for above 'Standard Journals'. <u>This is the profit that will appear on your reports.</u>

Personnel Adjustments

Where staff work in both reporting franchises and other franchises, please put a proportion of the head count in the appropriate box e.g. if a parts manager spends say 65% of his time working with reporting franchises then place 0.65 of the head count in the appropriate field. This apportionment should also be reflected in their salaries and commission shares which are recorded in the various departments on the input sheet. Similarly, if a dealership staff member spends their time in different departments (e.g. a combined new and used vehicle salesperson or manager, or a part-timer). Allocate a fraction of a head count into each department.

You have two options for filling out headcounts:

1. Where you have memo staff accounts in your trial balance, the accounts can be mapped directly to the relevant fields on the input sheet
2. Alternatively, a dealership can enter the headcounts in manually and the eProfitFocus will commit it to memory and prepopulate the input sheet when next created.

See over page for the headcounts that you are required to populate.

Personnel Adjustments

Department	Productive	Non Productive
New Vehicles	<ul style="list-style-type: none"> • Sales staff <ul style="list-style-type: none"> - Sales Consultants - Corporate Sales Consultants • Aftermarket staff <ul style="list-style-type: none"> - Aftermarket Consultants 	<ul style="list-style-type: none"> • Other <ul style="list-style-type: none"> - Stock Controller - Retention Manager - Accounts Clerk - Customer Follow-Up • Product Genius • Department Manager <ul style="list-style-type: none"> - General Sales Manager (allocate 50% to Used Dept. if role is shared) - Sales Manager
Used Vehicles	<ul style="list-style-type: none"> • Sales staff <ul style="list-style-type: none"> -Sales Consultants -Corporate Sales Consultants • Aftermarket staff <ul style="list-style-type: none"> -Aftermarket Consultants 	<ul style="list-style-type: none"> • Other <ul style="list-style-type: none"> - Stock Controller - Customer Follow Up - Retention Manager - Wholesale buyer/valuer • Department Manager <ul style="list-style-type: none"> - Used Department Manager
Parts Department	<ul style="list-style-type: none"> • Parts Sales Consultants 	<ul style="list-style-type: none"> • Department Manager <ul style="list-style-type: none"> -Parts Manager - Aftersales Manager (50% should be allocated to Service Dept.) • Parts Advisor/ Interpreter <ul style="list-style-type: none"> - Counter staff - Delivery Employee - Accounts Clerk - Employees
Service Department	<ul style="list-style-type: none"> • Qualified Technicians • 1st year apprentice • 2nd year apprentice • 3rd year apprentice • 4th year apprentice <p>Please allocate 50% of the following and the other 50% to Other Employee(Non-Productive):</p> <ul style="list-style-type: none"> • Service Foreman • Team Leader • Workshop Control 	<ul style="list-style-type: none"> • Delivery Employee • Other Employee <ul style="list-style-type: none"> - Customer Follow Up - Accounts Clerk - Warranty Clerk - Concierge/Service Reception - Detailer - Trades Assistant • Department Manager <ul style="list-style-type: none"> -Service Manager - Aftersales Manager (50% should be allocated to Parts Dept.) • Service Advisors
Finance and Insurance	<ul style="list-style-type: none"> • F & I Staff <ul style="list-style-type: none"> - Business Manager 	<ul style="list-style-type: none"> • F & I Department Manager <ul style="list-style-type: none"> (50% should be allocated to F&I Staff if the manager also sells F&I Contracts) • Other <ul style="list-style-type: none"> - Accounts Clerk
Administration Staff		<ul style="list-style-type: none"> • Administration <ul style="list-style-type: none"> - Owner - General Manager - Financial Controller - Marketing Manager - Customer Follow-up - Accountant - Accounts Clerk - Receptionist - General Maintenance - IT Manager

Frequently Asked Questions

Online Input Sheet

- Q:** Why do I receive error messages when I am logged onto eProfitFocus?
- A:** *Error messages may display due to historical information saved in your browser cache. To address this issue, it is recommended you clear your browser cache. Refer to steps from the following link: [How to clear your browser's cache](#)*
- Q:** I cannot proceed as Review Anomalies button is greyed out. How do I proceed with the online input sheet?
- A:** *The system will not allow you to proceed to **Review Anomalies** step if there are still anomalies that are status red. All anomalies need to be reviewed and addressed: either accepted with comments if anomaly is valid for the month or amended with updated values if incorrect.*
- Q:** Can I un-commit the online input sheet after committing this?
- A:** *Yes. You can un-commit previous submissions up to the last two years. Contact the ProfitFocus team if you need a monthly reporting submission to be un-committed.*
- Q:** Will I be able to map my own accounts?
- A:** *No. You are not able to manually map your own accounts. Please contact the ProfitFocus team if you wish to have mapping capability.*
- Q:** When I upload TB and am prompted with unmapped accounts. How do I know what accounts are not mapped?
- A:** *Simply view unmapped accounts via **Quick Links**: click on **View all unmapped accounts**. This will launch Account Mapping screen. Unmapped accounts will display on the left window.*
- Q:** I usually receive the same errors each month which are accepted errors. Will these errors display again the next month?
- A:** *Yes, the system will still display these the following month, in case circumstances change. These anomalies still need to be reviewed.*
- Q:** Do all anomalies need to be in green status before we commit?
- A:** *Yes, the system will not allow you to commit if there is still anomalies that are status red. All anomalies need to be reviewed and addressed: either accepted with comments if anomaly is valid for the month or amended with updated values if incorrect.*

Frequently Asked Questions

Q: In the first month of go-live, what will appear in allocations tab, do I need to split for each individual account?

A: *In the first month, allocations will display as-is (consolidated), you will need to split out the allocations for each account either input into screen or via batch allocations download/upload.*

Once this is done, allocations will be retained for the following month for your review.

Q: I have hundreds of accounts to be allocated; do I need to manually split all these? And do I need to do this every month?

A: *Yes. You can perform batch upload via Download and Upload Allocation function. Click on **Download allocation** to obtain an export, update the accounts and then re-upload using **Upload Allocation** button.*

The allocations tab will display with values you have uploaded.

You will only need to split across all allocations in the first month after system release, each month after that, the system will retain the allocations for the following month. Each month you will simply review and update as required.

Note: *These files need to be .XLSX format*

Q: Why do I keep getting an Excel message when I export from Online Input Sheet?

A: *You may receive the following Excel message when exporting from Online Input Sheet:*

Excel found unreadable content in "worksheet_xxxxx.xlsx. Do you want to recover the contents of the workbook? If you trust the source of the workbook, click Yes"

*Click on **Yes**.*

This message warns of conflict in older versions of Excel that is being exported to. The online input sheet is compliant with Microsoft Office 2013 and your machine may have an older version of Microsoft Office installed.

Q: Will the new system allow you to perform one upload for multiple franchises?

A: *Yes, as long as all the franchises are on the same TB, you can perform multiple submissions with one login.*

In the online input sheet the data will appear side by side rather than one franchise column.

If you are interested in Business Unit setup, contact the ProfitFocus team for further inquiries

Q: Are there any costs involved in moving to BU set up?

A: *Fees and costs would be a case by case basis. Please contact the ProfitFocus team who will advise.*

Frequently Asked Questions

- Q: Why can't I see a report?
A. Contact the ProfitFocus team who will check your access level.
- Q: Why can't I see data in a report?
A. Contact the ProfitFocus team who will check your access level.
- Q: How do I request staff access to reports within my departments?
A. Contact the ProfitFocus team who will be able to assist
- Q: Why does the Data Quality Summary screen show only a number and not a corresponding list of those errors and warnings?
A. Errors and Warnings have been replaced with Anomalies. With the transition, the system is limited to displaying only the count of Errors and Warnings.

Contact us

Deloitte Motor Industry Services

At Deloitte Motor Industry Services, we have a dedicated team of motor industry specialists who can help with all your queries between the hours of 9am and 5pm AEST on weekdays

If you require assistance at any stage of the reporting process or simply have a query, please make use of the contact details provided below.

We look forward to hearing from you!

ProfitFocus Hotline - Australia

1300 784 511

eprofitfocus@deloitte.com.au