



THE  
WATERHOUSE  
GROUP

# Financial Management..

## Double your NET PROFIT

Vin Waterhouse Presents

**“THE NAPA AutoCare FINANCIAL PROFILE”** is a publication of industry statistics and benchmarks measuring the financial performance of all reporting repair shops and the top 25% in terms of net profit. Listed below are the “Magic Seven” traits that separate the top 25% versus the average of all reporting shops.

1. Top 25% Annual sales were approximately \$63,000 higher than the average of all reporting shops.
2. Top 25% Shop labor rate was \$1.79 higher than the average of all reporting shops
3. Top 25% Gross profit on parts was just 2.76% higher than the average of all reporting shops.
4. Top 25% Had lower operating expenses as a % to sales than the average of all reporting shops.
5. Top 25% Sold \$21.26 more dollars per repair order than the average of all reporting shops.
6. Top 25% Had more ASE certified technicians in 7 of 8 categories than the average of all reporting shops.
7. Top 25% Shops were 1.2% more efficient (Factory Efficiency) than the average of all reporting shops.

**RESULTS:** The Top 25% most profitable shops enjoy a **NET PROFIT IN EXCESS OF \$130,000 ANNUALLY** and they buy and sell in the same competitive market places as all reporting shops. Learn how they do it.

**MOST CURRENT FINANCIAL BENCHMARKS:** Where do you stand if you don't have specific targets to compare yourself against? Receive a [written annual and monthly budget](#) for every income and expense category of your business as compared to the top 25% in terms of net profit. What should your labor profit, parts profit and tech wages be? Receive a budget for every facet of your business from accounting fees to telephone expense [Know your net profit a year in advance](#) (before 11:00 AM the first day). Spend the rest of the 2 day class learning **how to achieve** that net profit.

**Labor Factory ONE** “Factory Efficiency” A 5% increase in Factory Efficiency will more than double the average shop's net profit. A service manager can make a shop 5% more efficient. We will prove it in class and show you how to do it. It requires office efficiency, technician efficiency and support staff all working together to make it happen.

**Labor Factory TWO: Selling & Getting Paid for every hour of Diagnostics:** Sell the work and present the estimate in such a way that customers see a value in your services. Set a “standard”, “labor intensive” and “diagnostic labor rate” from cost up; program these rates into your computer so you charge with consistency and predictability. Based upon a 3 person shop at \$60 an hour these rates can recover \$100,000 a year in lost revenue.

**TECHNICIAN SKILL ASSESSMENT:** A form designed to pin point the skills of your technicians. As techs progress through the skill index they are paid more money. **Employee incentives:** How should you pay? Hourly? Flat Rate? Commission? Salary? Combination of above? Discuss payroll incentives that motivate with accountability.

**A “Balanced” Inventory:** The # 1 killer of Factory Efficiency is waiting for parts. How much inventory and what exactly should you stock? A balanced inventory will make your shop 5% more efficient which will double the average shops net profit. We will show you how to do this in class. Guaranteed.

**Breakeven Point 1 & 2:** There are two breakeven points for every business. One to pay your bills and a second one to earn the predetermined net profit you wish to make. Learn to project your daily net profit so you know before month end what your profit will be...to the dollar. Your expenses will be always be there, but will there be enough cash on hand to pay them? Other topics include; scheduling, breakeven on equipment, buy versus lease and preventive maintenance.

**Money Back Guarantee:** If you are not satisfied, return all materials and we will refund your money and you can keep the scholarship provided by NAPA Brake & Chassis, NAPA Echlin, NAPA Filtration and NAPA Heating & Cooling.

**Attend:** Contact NAPA and ask about their \$440 Scholarship (30 AMI Credits)

**Visit:** [www.VinWaterhouse.com](http://www.VinWaterhouse.com) and click schedule for contact information

**Call:** 888-592-4369 or email [Vin@VinWaterhouse.com](mailto:Vin@VinWaterhouse.com) or [Automotv@aol.com](mailto:Automotv@aol.com)

**Time** 8am-5pm day one and 8am to 3pm day two



## Waterhouse Group Financial Management Workshop

### What to bring to class!

1. Your most current year-end financial statement. If you don't have one it is ok. You can use sample information provided. (just know your total sales amount for a year)
2. **BRING A PENCIL, ERASER AND A CALCULATOR.**
3. Total Labor sales (from financial statement) separated from parts if possible
4. Total parts sales (from financial statement) separated from labor if possible
5. Total # of work orders processed last year or at least one month.
6. **Technicians Wages (without benefits):**
7. Cost of auto parts for the last 12 month period.
8. The dollar amount of parts inventory you stock at your current cost. (best estimate excluding batteries, fuel, or tires)
9. The number of technicians you employ
10. **Your prior 2 weeks work orders**

Thank you in advance for bringing this information. The better prepared you are the better your class experience will be. I look forward to meeting you on the day of the workshop. Thank you for your participation. Your time will be well spent. Any questions call 888-592-4369. or voicemail 800-298-8805 box 592-4369

**If AutoCare, Bring a copy of your AutoCare Financial Profile. (IT IS LOCATED IN YOUR AUTOCARE BINDER)**

Best Regards  
Vin Waterhouse  
The Waterhouse Group

**P.S. No tape recorders, laptops or palm pilots**

