



# Vin Waterhouse Financial Health Check

**Count Your Yes Answer**

- 00 - 15 = High Risk
- 16 - 21 = Precarious Position
- 22 - 25 = Minimum Performance
- 26 - 30 = Good Bet
- 31 - 42 = High Income

**How good are your Management Skills?** Take this test and decide for yourself.  
Ask NAPA about their \$440 scholarship to attend a 2-day class.

	Yes	No	Huh?
1. Can you take a vacation, not call in & have your shop run smoothly without you?	_____	_____	_____
2. Do you ever not go home at night saying "I didn't get a thing done today"?	_____	_____	_____
3. Do you know the ideal # of employess to maximize profit in a 6 bay shop?	_____	_____	_____
4. Does your net profit meet or exceed the top 25% most profitable shops ?	_____	_____	_____
5. Do you know the ideal support staff to technician ratio?	_____	_____	_____
6. Do you know the breakeven point & <u>when</u> to hire a service manager?	_____	_____	_____
7. Do you know the sales breakeven point and <u>when</u> to hire support staff or technicians?	_____	_____	_____
8. Do you get paid for <u>every hour</u> spent performing diagnostics at a diagnostic rate?	_____	_____	_____
9. Do you charge a Standard, Labor Intensive & Diagnostic Rate calculated from cost up?	_____	_____	_____
10. Do you know how much average and high profit shops pay their technicians?	_____	_____	_____
11. Do you have an annual / monthly budget by income & expense category?	_____	_____	_____
12. Do all parts get billed on every job without exception?	_____	_____	_____
13. Can you arrive late or leave early without worry?	_____	_____	_____
14. If total sales are \$300,000, do you know what percentage should be labor sales?	_____	_____	_____
15. Know what your net profit will be 12 months from now based upon current performance?	_____	_____	_____
16. Is your labor rate established from cost up & not just what the market bears?	_____	_____	_____
17. Do you know what percent of total sales should be spent on advertising?	_____	_____	_____
18. Do you have written job descriptions for all your employees?	_____	_____	_____
19. Do you know what your office efficiency percentage is ?	_____	_____	_____
20. Do you know what your "Factory Efficiency"™ percentage is ?	_____	_____	_____
21. Do you know & track your individual technician's efficiency percentage?	_____	_____	_____
22. Does cash flow allow you to buy all equipment as you need it ?	_____	_____	_____
23. Do you have a written operations manual for your shop?	_____	_____	_____
24. If you have 6.5 employees, how many of them should be support staff?	_____	_____	_____
25. Do you know what your parts gross profit should be and how to get it there?	_____	_____	_____
26. Does your financial statement show parts, labor & sublet profit separately?	_____	_____	_____
27. Do you know what your minimum & maximum inventory turns should be?	_____	_____	_____
28. Do you know what your avg. labor sales per work order should be & track it?	_____	_____	_____
29. Do you know what your gross profit % on labor should be & track it monthly?	_____	_____	_____
30. Do you have and utilize a shop management software program?	_____	_____	_____
31. Every business has two break even points. Do you know what yours are?	_____	_____	_____
32. Do you know the minimum monthly labor sales your techs need to generate ?	_____	_____	_____
33. Do you pay all parts suppliers on time and take discounts for early payment ?	_____	_____	_____
34. Do you know what your payroll as a percent of sales/GP should be?	_____	_____	_____
35. Do you have an easy to understand employee incentive program that works?	_____	_____	_____
36. Do you know the maximum hours a tech should be scheduled for per day?	_____	_____	_____
37. Do you have written procedures for the top 30 most common tasks?	_____	_____	_____
38. Do you know the average sales per repair order high profit shops generate?	_____	_____	_____
39. Do you receive and understand a monthly P&L and balance sheet?	_____	_____	_____
40. Do you know the sales breakeven point required to pay for equipment?	_____	_____	_____
41. Do you know when it is better to buy versus lease ?	_____	_____	_____
42. Will you take 2 days away from your business to learn and apply the above?	_____	_____	_____



THE  
WATERHOUSE  
GROUP

Vin Waterhouse Presents

## *Financial Management..*

### *Double your NET PROFIT*

*The average shop owner earns less than 5% net profit and that number has been declining while the average of the top 25% shops net profit is 18% and growing. We know what the top 25% do differently and will help you implement successful business practices in your shop that will impact your business immediately. You provide the desire; we provide the skills and knowledge.*

**Stop working solely in your business and start working at your business.** Profit happens by executing a step by step plan and this class will do just that. Start by comparing your shop to the top 25% percent most profitable shops in the country. Based upon your current sales, we will provide a target dollar figure for every income and expense category of your business including your net profit, Service Manager wages, Technician wages, what should you pay them, and how much revenue should they generate for what you pay them?

**Breakeven Points 1 & 2:** There are two breakeven points for every business. One to pay everyone else and a second one to pay yourself at 18% net profit or higher. Learn to project your net profit daily so you know before month end what yours will be.

**Today's vehicles require 3 Labor Rates:** Standard, Labor Intensive and Diagnostic rates are required to address the electronics and reduced mechanical breakdowns in today's vehicles. 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" for your shop from cost up; then program these rates into your computer so your customers are charged with consistency and predictability. You may be leaving thousands of dollars on the table.

**Office Efficiency:** Your business will be as profitable as your front office is staffed and efficient. This includes everything from interviewing your customers, training them, scheduling the work and tracking technicians performance. When do you know to hire an office assistant and what is the breakeven point?

**Factory Efficiency™:** is more important than ever before because customers put off repairing their vehicles but don't want to wait long, once the decision has been made to fix their vehicle. Quick and efficient turn around time not only provides customer satisfaction but just a 5% increase in Factory Efficiency will more than double an average shop's net profit. You will learn how to become 5% more efficient.

**A "Balanced" Inventory** The # 1 cause of reducing Factory Efficiency is waiting for parts. How much inventory and what exactly should you stock? Also, keeping up with equipment needs and cost is tougher than ever, but you must do so in order to grow and prosper. Learn exactly how many jobs you must do monthly with each piece of equipment in order for it to pay for itself.

**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 Brakes, NAPA Echlin, NAPA Filtration and NAPA Heating & Cooling. You'll never look at your business the same way again!

**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



**\$440 - *FOUR FORTY* - \$440**

# SCHOLARSHIP PROGRAM



NAPA has sponsored this class and four key NAPA auto parts suppliers have instituted this industry first **\$440.00 scholarship available to every repair shop owner in the U.S.A.** to attend any Waterhouse Group Financial Management workshop. Each shop owner that graduates from a Waterhouse Group Class in the year 2009 will receive \$440.00 in free product (per shop) at list price. (\$110.00 in free product at list price from each of the four sponsoring parts manufacturers) within 60 days after completion of the full 2 day course.

NAPA realizes that the financial success of independent repair shop owners is vital to the future of the NAPA store owner and all its parts suppliers. In fact, NAPA has endorsed and sponsored The Waterhouse Group Financial Management & Sales Management courses for 19 years. I am proud of that.

Although many manufacturers support your profession. The above four manufacturers have made a large financial commitment to the success of your business. Take advantage of it and consider supporting them as well.

My thanks to NAPA and the four companies who made this industry first scholarship possible.

Sincerely,

*Vin Waterhouse*

Vincent B. Waterhouse,  
**THE WATERHOUSE GROUP**

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## 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 or on your CD)**

Best Regards  
Vin Waterhouse  
The Waterhouse Group

No tape recorders, lap top computers, palm pilots or retrieval system of any kind is allowed.





# THE SUPPER CLUB

## *Advanced Training for Repair Shops*

**The “SUPPER CLUB”** is a group of 12-15 shop owners who meet locally on a regular basis. Our goal is to discuss and implement business strategies that will help increase your net profit. You will be asked to share your successes with the group as well as your most pressing business problem and the club members will try to solve it for you. You will develop an operations manual on “How to run a successful repair business” and you can volunteer to have the group make an on site visit to evaluate the performance of your shop. At each meeting you will be assigned simple tasks to be completed before attending the next meeting and you will be asked to share your successes with the group at the next meeting AND will have access to a personal instructor to help you with the process. Supper Club meetings are held quarterly from 1:00 PM - 8:00 PM in your area. For those that belong to a NAPA BDG group this is a perfect marriage. We can provide the business training to a NAPA Business Development Group.

***THE INVESTMENT IS JUST*** \$375.00 per month for a duration of 12-18 months. (about 75% LESS THAN ANY SIMILAR PROGRAM OFFERED TODAY). In fairness to the group, committed members will be charged whether or not they attend any or all meetings. Additional costs include the cost of location and dinner which will be split evenly by the group members. The fee includes 2 people or more from the same shop; ex: husband / wife or owner / service manager. Additionally we urge you to bring your bookkeeper to the first meeting. There is a 7 day evaluation period after the 1st meeting during which a member may withdraw from the club and receive 1/2 their initial payment back.

We start with your most recent 3 months data and account for every check you have written. At each meeting you will receive a confidential financial analysis of your business and how you compare to the group's performance as well as the average and top 25% most profitable shops in the industry. Our goal is to help improve your net profit as well as the entire group.

### ***WATERHOUSE GROUP SUPPORT:***

Between meetings you have unlimited support from us via telephone, voicemail, and email. We provide you a monthly / annual budget for income and expenses. Your results will be monitored. You will have a plan and know what your sales, expenses & profit will be months in advance. Standard, Labor Intensive and Diagnostic labor rates and factors will be calculated from cost up. Issues such as sales, selling & getting paid for diagnostics, service management issues, marketing, factory efficiency, job descriptions, job qualifications, employee incentives and inventory control will be covered as well.

We would like to start a club in within 75 miles of your shop in the next 30 days. If this interests you, contact Wayne Demers today at 603-778-8411, cell 978-764-4496 Email [wdemers@vinwaterhouse.com](mailto:wdemers@vinwaterhouse.com).

Other contacts are:

Email Vin direct at [vin@vinwaterhouse.com](mailto:vin@vinwaterhouse.com) or [pbrown@vinwaterhouse.com](mailto:pbrown@vinwaterhouse.com)

Vin Waterhouse  
Tel 888-592-4369  
email [Automotv@aol.com](mailto:Automotv@aol.com)  
[www.VinWaterhouse.com](http://www.VinWaterhouse.com)

**JOIN OR START A “SUPPER CLUB” TODAY..**  
***“The best value in the marketplace”***  
**Compatible with your Business Development Group**

TSCV



# ***THE SERVICE MANAGER...PLUS***

## *Double your shops Net Profit*

**The 12 Fundamental Steps** to a sale. They include initial customer contact, customer arrival, interviewing skills, setting the appointment, communicating customer concerns to technicians, the estimate, selling the estimate and the job, scheduling, final write up, presenting the bill, and customer follow-up.

**Handle Objections:** Customers who shop prices, want to bring their own parts or remind you they can buy the parts for less money elsewhere are really looking for value, but know no other way to judge value other than price. Sell value over price and turn shoppers into customers. Verbal communication skills with customers is critical.

**Scheduling:** Proper scheduling is directly related to shop efficiency and customer satisfaction. Learn several proven skills that will optimize both.

**Today's vehicles require 3 Labor Rates:** Standard, Labor Intensive and Diagnostic rates are required to address the electronics and reduced mechanical breakdowns in today's vehicles. 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" for your shop from cost up; program these rates into your computer so you charge with consistency and predictability. You may be leaving thousands on the table.

**Office Efficiency:** Your business will be as profitable as your front office is staffed and efficient. This includes everything from interviewing your customers, training them, scheduling the work and tracking technicians performance. When do you know to hire an office assistant and what is the breakeven point?

**Factory Efficiency™:** is more important than before because customers put off repairing their vehicles but don't want to wait long for it once the decision has been made to fix their vehicle. Quick and efficient turn around time not only provides customer satisfaction but just a 5% increase in Factory Efficiency will more than double an average shop's net profit. You will learn how to become 5% more efficient. Money back guarantee.

***A must class for shop owners as well. Money Back Guarantee!***

**CALL:** Your NAPA sales rep, store or Vin Waterhouse today  
**SEE SCHEDULE:** [www.VinWaterhouse.com](http://www.VinWaterhouse.com)  
**TELEPHONE:** 888-592-4369  
**EMAIL:** Automotv@aol.com or Vin@VinWaterhouse.com





# **SELLING AND GETTING PAID**

## **For Every Hour of "Diagnostics"**

**The number one issue shops face today is selling and getting paid for all "Diagnostic Time"**

It is common today to spend 2-3 hours diagnosing a vehicle using equipment that may be used only 2-3 times a year to find a solution that requires little or no parts. As expenses rise and you have less revenue to pay them with the ending result becomes obvious. If the design and quality of today's vehicles require less parts, special equipment and greater talent to repair them, then you must employ recovery rates and factors (set from cost up) to recover the profit lost when parts are not sold.

**A Shop Needs Three** (3) labor rates for the types of repairs performed to maintain the same profit earned almost 3 decades ago. They are "Standard" for normal mechanical repairs, "Labor Intensive" for repairs where the labor charge is disproportionate to the parts sales (installing a rear main seal) and "Diagnostic" for repairs where parts may not be sold, special equipment is required and labor is more expensive because a higher skill level is required to isolate and make the correct repair.

**Selling Diagnostics:** Some customers don't want to pay for diagnostics. When their vehicle has intermittent problems many think all you have to do is hook their vehicle up to a "magic machine" and it will solve their problem immediately. After all, isn't there a well known retail organization that will diagnose their vehicle free? Learn techniques that make selling diagnostics easy and in a way that customers understand why a "magic machine" can't always isolate their problem. Learn interviewing skills, how much to charge, how to present and get paid for every hour you work on their vehicle at the proper rate.

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**Rate & Factor Pricing Chart:** *Bring to class the invoices you produced over the prior 2 weeks. You will assign proper rates and factors by specific repairs (as practice) and then program the proper rates or factors into your computer. You will charge all your customers consistently no matter who presents the bill and never give revenue away again. Open class discussion.*

NAPA or Vin Waterhouse  
Tel 888-592-4369  
[www.VinWaterhouse.com](http://www.VinWaterhouse.com)  
Time required 3.5 hours  
EMAIL: [Vin@VinWaterhouse.com](mailto:Vin@VinWaterhouse.com)



# TEAM TECHNICIAN

**The Purpose:** Your company can not be truly successful unless all of your employees understand where you want the business to go. If you are looking to improve shop efficiency and performance, what better way to do it than by involving the employees who actually do the work and then listening to their ideas? A company is only as good as its people... All shop employees will earn more money without working longer or harder and their wage increases will come from increased profit. Communication between customers, office and shop personnel, is critical for success. **Prerequisite:** Owner must have completed a 2 day *Financial Management For The Auto Repair Business* or attend this class with your employees. (Time 3 hours) **CAUTION...THIS CLASS PRODUCES IMMEDIATE RESULTS.**

**Who Should Attend:** All repair shop employees including technicians, service managers and all support staff. Employees will learn THE LABOR FACTORY™ Concept. They will learn the value of support staff and teamwork. Emphasis is on working smarter...not harder. Payroll incentives are paid from improvements in Factory Efficiency.

**A Mini Income Statement:** Employees will understand a basic income statement so that they can see where the money comes from and where it goes. With knowledge of income and expenses, they can see how their performance (or lack of it) has a direct impact on the company's prosperity and their own future.

**The Labor Factory:** The very essence of a repair shop's business. A 5% increase in Factory Efficiency will more than **double the average shops' net profit.** Your technicians can make your shop 5% more efficient; especially when given an incentive to do so. It is done by making a tech's job easier rather than harder.

**Work Smarter...Not Harder:** Learn the actual cost per minute of operating a repair facility and identify time robbers that cost both the company & employees money. We will use every day examples such as the cost of being on the "tool truck"... The cost of "come backs"... "personal phone calls"... and having techs order their own parts.



**The Second half of class** is devoted to group breakout sessions with fellow technicians followed by open class discussion. Owners will be asked to leave the room during break out sessions to allow their employees to discuss problems and solutions in private. Technicians are asked to list the ways they can become 5% more efficient as well as the causes of being inefficient. After the break-out sessions, owners are invited back into the room to listen to employees suggested solutions. Owners take notes and implement ideas that are appropriate. Employees go back to their shops with a plan for improving their personal income through increases in company profits. **THIS CLASS PRODUCES IMMEDIATE RESULTS.**

Learn the monthly and daily sales required for the business to pay for simple things like a lost 35 cent fuse.

The marketplace is changing daily, competition won't go away. The opportunities for increased income are excellent, but it will require a team effort composed of technicians and support staff working together towards the same predetermined and measurable goal. Your fellow shop owners and technicians will be there... discuss common problems, share ideas, learn solutions.

Call NAPA or Vin Waterhouse

Tel 888-592-4369

[www.VinWaterhouse.com](http://www.VinWaterhouse.com)

[www.laborfactorysoftware.com](http://www.laborfactorysoftware.com)

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