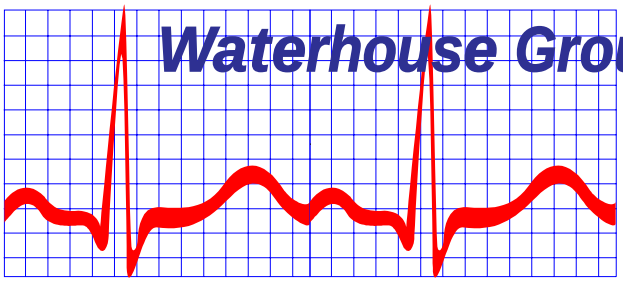

Waterhouse Group Financial Health Check

Count Your Yes Answer

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

Are you ready for 2006? Take this test and decide for yourself.
Ask NAPA about their 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 all parts get billed on every job without exception?	____	____	____
3. Do you know the minimum and maximum inventory you should stock?	____	____	____
4. Do you know the sales per repair order a tech should generate?	____	____	____
5. Is motivating technicians not a problem for you?	____	____	____
6. Do you know the maximum hours a tech should be scheduled for per day?	____	____	____
7. Do you use Standard, Labor Intensive & Diagnostic Rates & Factors? ?	____	____	____
8. Do you make all needed repairs on a vehicle without having to reschedule?	____	____	____
9. Do you bill and get paid for every hour legitimately worked on all vehicles?	____	____	____
10. Is it easy to keep customers happy who can buy parts cheaper at a parts store ?	____	____	____
11. Do you get paid for every hour spent performing diagnostics ?	____	____	____
12. Does cash flow allow you to buy all equipment as you need it ?	____	____	____
13. Is there only one person responsible for ordering parts?	____	____	____
14. Did you measure accountability & offer incentives for office & shop employees?	____	____	____
15. Will you double your net profit in the next 12 months ?	____	____	____
16. Can you arrive late or leave early without worry?	____	____	____
17. Do you stock the right invenory for your sales and proximity to a store?	____	____	____
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. Is your labor rate established from cost up & not just what the market bears?	____	____	____
23. Do you hold regular employee meetings?	____	____	____
24. Do you offer employee incentives and evaluations?	____	____	____
25. Do you have and enforce an employee image code?	____	____	____
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 shoud be & track it?	____	____	____
30. Do you have and utilize a shop management software program?	____	____	____
31. Do you know your monthly/daily breakeven to pay all bills plus a profit?	____	____	____
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 know the breakeven when hiring support staff or technicians?	____	____	____
36. Do you know your sales breakeven point to hire a service manager?	____	____	____
37. Do you know the correct support staff to technician ratio?	____	____	____
38. Does your business meet or exceed AutoCare Financial Profile benchmarks?	____	____	____
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

Vincent B.Waterhouse tel 888.592.4369 VinWaterhouse.com email Automotv@aol.com