



THE
WATERHOUSE
GROUP



Financial Management for the Auto Repair Business 2- Days

Presented by Vin Waterhouse

Did you know? Both Live or Virtual and NEW

We start with monthly net profit and work backwards to achieve it.

Improved Vehicle quality and the growth of electronics means shops sell fewer parts per driven mile. Shop owners have evolved to making the majority of their profit in labor, like carpenters, electricians and plumbers do. The change requires three labor rates to navigate the transition from parts profit dependency to labor G.P. paying all the bills and parts profit as add on.

Research shows the average internal combustion engine vehicle (ICE) has 28-30,000 parts per vehicle if you include every rivet, nut, bolt, washer etc. The average electric vehicle (EV) has only about 7-10,000 parts. (2/3 fewer parts). Vin identifies opportunities these changes bring and solutions to increase your net profit the very first week you implement them.

The top 25% most profitable shops earn almost 3.6 times the net profit as average shops. The class demonstrates what they do differently and how they do it. Invest the time to be with other shop owners, discuss proven practices and take your shop to the next level. Receive a monthly budget for every category of your business and track your net profit daily with ease.

Seize Control : Operate like a "Franchise" with procedures for common repairs and business practices. Use proven systems for your shop and manage them. Once you fix your business, fixing vehicles becomes fun again with less stress. Accomplish this by working one hour a day on your business.

Labor Intensive & Diagnostic Labor Rates Sell parts at cost by building the parts profit into the labor by using a unique formula. The formula allows you to make your full profit in labor like other professions. Now you can match any price and still make your full profit.

Office Efficiency: Your business is as profitable as your front office is efficient. Do your techs work on vehicles 90% of the time when you have the work? Do you get paid for every hour your techs work on vehicles ? Most shops don't and there is an easy fix to that.

Factory Efficiency™ A 5% improvement in technician efficiency adds more than \$1,000 per month per technician to your bottom line without changing prices. Learn where to improve and how and do it!

Money Back Guarantee: Plus... FREE analysis of your shop and a 1 on 1 coaching session with Vin Waterhouse

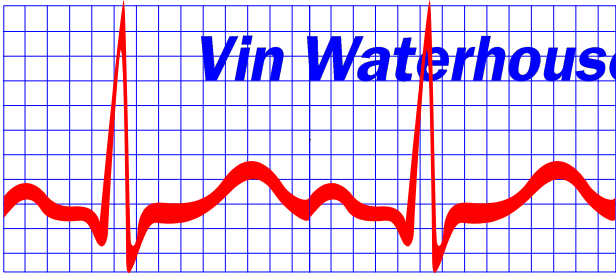
Attend and "You'll never look at your business the same way again"

Contact: Your NAPA sales person or store owner...ASK about their \$440 Scholarship

Visit: www.vinwaterhouse.com and click schedule for contact information

Call: 617.901.0243 or email vin@vinwaterhouse.com or Automotv@aol.com

Vin Waterhouse



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

Read the questions and and decide for yourself.

	Yes	No	Huh?
1. Can you take a vacation, not call in & have your shop run smoothly without you?	_____	_____	_____
2. Sales are growing,you're not discounting,money is tight. Would you know why?	_____	_____	_____
3. Do you know the min monthly total sales per employee your shop should generate?	_____	_____	_____
4. Do you know the total gross profit dollars each employee should generate per month?	_____	_____	_____
5. Do you know what your parts gross profit % should be with shop supplies included?	_____	_____	_____
6. Do you know how what tech wages shouldn't exceed per \$100.00 in total sales?	_____	_____	_____
7. Do you know the breakeven point to hire a service manager or technician?	_____	_____	_____
8. Do you know what percent of total sales should be spent on advertising?	_____	_____	_____
9. If labor and part gross profit is high, expenses are low but cash is tight; Know why?	_____	_____	_____
10. Do you know what your gross profit per hour between parts and labor should be?	_____	_____	_____
11. Do you know how much the average and high profit shops pay their technicians?	_____	_____	_____
12. Do you have a monthly dollar budget for every expense category in your business?	_____	_____	_____
13. Does every part you install always get billed at the correct price?	_____	_____	_____
14. Can you arrive late and leave early without worry or problems?	_____	_____	_____
15. If total sales are \$400,000, do you know how much of that should be labor sales?	_____	_____	_____
16. Your 15 most repetitive repairs = 70% of activity; do you have a procedure for them ?	_____	_____	_____
17. Is your labor rate calculated from cost up versus what others charge in your area ?	_____	_____	_____
18. Do you have written job descriptions for every employee?	_____	_____	_____
19. Do you lose more than 6 minutes per hour that techs aren't working on vehicles?	_____	_____	_____
20. Do you know how many labor hours per repair order your techs should generate ?	_____	_____	_____
21. Do you know & track your individual technician's efficiency percent ?	_____	_____	_____
22. Can you pay cash for all equipment costing \$1,500 or less as you need it ?	_____	_____	_____
23. Do you know how much you should spend on expenses per \$100,000 in sales?	_____	_____	_____
24. Do you know what the service manager to technician ratio should be?	_____	_____	_____
25. Do you have a standard, labor intensive and diagnostic labor rate?	_____	_____	_____
26. Does your financial statement show parts, labor & sublet profit separately?	_____	_____	_____
27. Do you know what your minimum & maximum inventory on hand 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 ?	_____	_____	_____
30. Do you know what your total gross profit should be per \$100,000 in total sales?	_____	_____	_____
31. Every business has two daily break even points. Do you know what yours are ?	_____	_____	_____
32. Do you know the minimum monthly labor sales each technician should generate ?	_____	_____	_____
33. Do you pay all parts suppliers on time and take discounts for early payment if offered ?	_____	_____	_____
34. Do you know why measuring tech wages to sales and GP is no longer essential?	_____	_____	_____
35. Do you have an incentive program where employees improve your business?	_____	_____	_____
36. Do you know the targeted hours a tech should be scheduled for per day?	_____	_____	_____
37. Do you know what percent of sales should be spent on equipment?	_____	_____	_____
38. Do you know the average sales per repair order high profit shops generate?	_____	_____	_____
39. Do you receive and understand a monthly Profit or Loss statement?	_____	_____	_____
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. Are the above questions important enough for you to attend a class to learn them?	_____	_____	_____



Service Manager...**PLUS+**

A Service Manager is the face of your business and first impression is lasting. Just like you invest in tools and equipment, invest in key employees. The Service Manager can make or break your business financially and is the most important position in a shop.

Three Labor Rates: Research shows ICE vehicles have 28-30,000 parts per vehicle. The average electric vehicle has only about 7-10,000 parts per vehicle. (2/3 fewer parts) Shops will learn to make the overwhelming majority of their profit in labor like carpenters, electricians and plumbers. It requires three labor rates and service managers are the ones who need to sell it.

12 Fundamental Steps: There are 12 fundamental steps to a sale. They include initial customer contact, customer arrival, interviewing the customer, the appointment, customer arrival, communicating customer concerns to technicians, the estimate, selling the estimate and the job, scheduling, final write up, presenting the bill, and customer follow up.

Communication between office and technicians: Poor or partial communication of the customer's concern to the technician is the biggest reason for wrong repairs, down time, and poor efficiency. Discuss non verbal systems and procedures to communicate easily and effectively between support staff and technicians.

Scheduling: Most shops don't make the money they could because they over or under schedule. How the work flows and to whom is critical. Handle emergency repairs and walk - in customers without affecting already scheduled work without working late or holding the vehicle overnight. Top shops average **\$13.49 more net profit per repair** order than average shops by selling skills.

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

Contact: Your NAPA Store Owner or Sales Representative Today
Visit: www.vinwaterhouse.com and click schedule for contact information
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Kim Waterhouse

Live or Virtual



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2023

Team Technician



Purpose: Your shop will never reach its potential unless **all** your employees understand where you want your business to go and what's in it for them. Improve efficiency and performance by asking the employees how to do it; listen to their ideas and implement their solutions. Set incentives so every employee will earn more money without working longer or harder. Wage increases come from increased profit. A 5% increase in efficiency increases profit by over \$1,000 per month per technician. **Prerequisite:** Owner must have completed a 2-day Financial Management for The Auto Repair Business class or attend this class with your employees. (50 minutes)
CAUTION...THIS CLASS PRODUCES IMMEDIATE RESULTS.

Session **ONE OF TWO:** For all shop employees including technicians, service managers, support staff and owner. Employees learn THE LABOR FACTORY, TM how it affects them, and the value of support staff and teamwork. Work smarter...not harder.

A TEN DOLLAR BUSINESS: Understand a basic income statement to see where the money comes from and where it goes. With knowledge of income and expenses, everyone can see their individual performance (or lack of it) has a direct impact on the company's prosperity and their own future.

Your "Labor Factory" TM Saving three minutes an hour through EFFICIENCY will add over \$1,000 per month per technician. Session TWO will show exactly where to focus and how to do it.

Cost per minute of operating a repair facility and time robbers that cost everyone money. We use everyday examples such as the cost of being on the "tool truck, "come backs", personal phone calls, texting etc. **HOMEWORK for Session TWO OF TWO.** Each shop team (all employees) is asked to list shop's 10 most repetitive activities as explained in session ONE and submit to Vin Waterhouse before session TWO.

Session **TWO OF TWO:** Vin will produce a composite list of 10 most repetitive activities and employees will be asked to list the ways they can save a step via better organization or efficiency and the causes of being inefficient. Owners take notes and implement ideas that are appropriate for your shop. Employees and owners go back to their shops with a plan for improving their personal income through increases in company profits. **EASY TO TRACK INCENTIVES ARE INTRODUCED.**

Electronic vehicles may use fewer parts per driven mile so the loss of part profit will must be built into labor just as carpenters, electricians, plumbers, accountants and attorneys do..

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