

CANADIAN RETAIL PERFORMANCE GUIDELINES FOR VARIABLE OPERATIONS

UPDATED
DECEMBER 2022



The Retail Performance Guidelines provided
are based on August 2022 data.

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ASSOCIATES

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COMBINED VEHICLE DEPARTMENTS

Revised December 2022. Proprietary and confidential.

SALES AND GROSS PROFIT

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
1 Front Gross Profit \$PVR*	\$4,419	\$4,215	\$8,075
2 F&I Gross Income (Net of Chargebacks and Adjustments)**	\$2,582	\$2,340	\$1,976
3 Other Sales Department Gross Profit \$PVR***	\$500	\$366	\$438
4 Adjusted or All-In Gross Profit \$PVR (sum of #1-#3)	\$7,500	\$6,921	\$10,489

*Fleet Gross Profit, New Vehicle Dealer Exchange Income, Used Vehicle Wholesale Profit [Loss], and any Cost of Sale Adjustments and Manufacturer/Distributor Incentives that are identifiable to departmental gross are to be included in Front Gross Profit for your dealership.

**Per Retail and Lease Unit, Net of Adjustments and Chargebacks, but before any Financial Services Compensation.

***Doc. Fees, Hard Packs, Manufacturer/Distributor Incentives that are not identifiable to Departmental Gross and any other reported "Below-the-Line" Income [Net Additions & Deductions] related to Vehicle Sales should be included in Other Gross Profit.

CONTROLLABLE EXPENSES (INCLUDING ADMIN PRO-RATES)

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
5 Total Sales Compensation			
% of Adjusted Gross	12.3%	10.7%	9.5%
per Vehicle Retailed	\$922	\$740	\$1,000
6 Total Financial Services Compensation			
% of Adjusted Gross	5.9%	6.2%	3.8%
% of F&I Net	18.5%	17.5%	23.8%
F&I Comp as % of F&I Gross	8.2%	10.4%	3.9%
per Vehicle Retailed	\$443	\$427	\$399
7 Total Supervision Compensation			
% of Adjusted Gross	10.1%	10.2%	7.4%
per Vehicle Retailed	\$754	\$705	\$774
8 Total Other Salaries & Wages (includes absentee comp.)			
% of Adjusted Gross	4.5%	4.3%	4.5%
per Vehicle Retailed	\$340	\$297	\$476
9 Total Direct Compensation Expense (sum of #5-#8)			
% of Adjusted Gross	32.8%	31.3%	25.2%
Per Vehicle Retailed	\$2,459	\$2,169	\$2,648
10 Net Advertising & Promotion Expense			
% of Adjusted Gross	3.4%	1.1%	2.1%
per Vehicle Retailed	\$252	\$74	\$225

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(Continued)



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CONTROLLABLE EXPENSES (CONTINUED)

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
11 Net Floorplan Interest Expense			
% of Adjusted Gross	-5.3%	0.0%	1.2%
per Vehicle Retailed	-\$401	-\$3	\$122
12 Demo Expense			
% of Adjusted Gross	0.9%	0.6%	0.4%
per Vehicle Retailed	\$67	\$42	\$45
13 Net Delivery Expense			
% of Adjusted Gross	1.0%	0.2%	0.6%
per Vehicle Retailed	\$77	\$13	\$66
14 Vehicle Policy & Claims Expense			
% of Adjusted Gross	0.5%	0.4%	0.4%
per Vehicle Retailed	\$39	\$28	\$46
15 Total Controllable Department Expense (sum of #9-#14)			
% of Adjusted Gross	33.2%	33.6%	30.0%
per Vehicle Retailed	\$2,493	\$2,323	\$3,152

EMPLOYEE PRODUCTIVITY

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
16 Opportunities Per Salesperson Per Month	55-65	65-80	65-80
17 Units Per Salesperson Per Month	10.9	9.5	10.9
18 Ranges for Staffing Level	11-14	11-14	11-14
19 Adjusted Gross Per Salesperson Per Month	\$81,751	\$65,751	\$114,330
20 Number of Salespersons Per Manager (includes Closers and/or Team Leaders)	3.2	3.3	3.0
21 Units Per Manager Per Month	31.5	30.0	30.2
22 Adjusted Gross Per Department Manager Per Month (Includes F&I)	\$236,252	\$207,634	\$316,767
23 Gross Per Assigned Department Employee Per Month	\$32,345	\$31,502	\$38,104
24 Maximum Deals Per F&I Manager (including Director) Per Month*	60	60	60

*Does not include below the line or incentives not identifiable to departmental gross.

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ECOMMERCE

		AVERAGE	TARGET
25	Lead Response Time	15 min	5 min
26	1st Day Engagement Rate	20.0%	25.0%
27	30 Day Engagement Rate	60.0%	70.0%
	Appointments – New Leads		
28	Appointments Made	31.0%	34.0%
29	Appointments Show of Made Appointments	65.0%	72.0%
30	Close Rate of Shown Appointments	57.0%	62.0%
31	Total Close Rate of All Leads	11.0%	15.0%
	Appointments – Sales Calls		
32	Appointments Made	60.0%	65.0%
33	Appointments Show of Made Appointments	65.0%	72.0%
34	Close Rate of Shown Appointments	57.0%	67.0%
35	Total Close Rate of All Leads	22.0%	31.0%
	Digital Sales as a % of Total Sales		
36	Dealership Website Leads	12-15%	17-20%
37	Manufacturer Website Leads	8-11%	10-13%
38	Third-Party Leads (including OEM third-party leads)	7-9%	9-12%
39	Third-Party classified used/new vehicle listings	8-10%	10-12%
40	Website Conversion Rate*	2-5%	5-7%
41	Average Cost Per Lead**	\$30-\$35	\$30.00
42	Average Cost Per Internet Vehicle Sold***	\$275-\$325	\$250.00
	Fresh Leads Distributed to Producing Employee Per Month		
43	Per Full-Time “A-Z” Internet Salesperson	60-80	80
44	Per Full-Time Combination Internet and Floor Salesperson	35-45	40
45	Per Full-Time BDC or Internet Appointment Setting Specialist	150-200	150.0

*Number of Attributable Electronic, Mobile and Telephone Leads As a Percentage of Unique Visitors to Dealership Website.

**Includes Dealership Website, Manufacturer Leads, and Third-Party Leads.

*** This is factored using typical lead sources commonly available in the market, including independent third party sources and manufacturer-based lead sources, as well as dealership website leads, excluding SEO and SEM.

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ASSET MANAGEMENT – USED VEHICLES

	DOMESTIC FRANCHISES	VOLUME IMPORT FRANCHISES	LUXURY FRANCHISES
46 Liquidation Policy*	Day 61	Day 61	Day 61
47 Dollar-Days-Supply**	30 to 45 days	30 to 45 days	30 to 45 days
48 Unit-Days-Supply***	30 to 45 days	30 to 45 days	30 to 45 days
49 Reconditioning Cycle Time (Number of Service Dept. Working Days)	3-5 days	3-5 days	3-5 days
50 Annual Inventory Turn Rate	8-12 times	8-12 times	8-12 times
51 Percent of Inventory Under 30-Days Old	70-80%	70-80%	60-70%
52 Stock Walk “Bucket-Jumper” Touch Points (Days-in-Stock)	16, 31, & 46	16, 31, & 46	16, 31, & 46

* Maximum age (in days) when vehicles MUST be disposed of at retail or scheduled for wholesale disposition.

**Maximum inventory level based on a blended level of most recent 90-day sales history and projected upcoming 30 day retail sales. Wholesale units are included in the Inventory Calculation but not in the Sales History or Sales Forecast.

***Same planning and calculation methodology used in item number 42.

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