

Top Ten Numbers that Matter

**As the old saying goes:
If you can't measure it—you can't manage it.**

Here is a list of the top 10 numbers you should consider measuring, along with a brief definition and why we think they are important to keep tabs on.

1

LABOR EFFICIENCY

Labor efficiency percentage is simply sold labor hours divided by the actual hours worked multiplied by 100 (sold hours/worked hours X 100). Labor efficiency is nearly impossible to calculate without some type of "shop clock" that allows technicians to clock in and out of jobs. Knowing your labor efficiency can help you correctly determine your shop's capacity.

2

CYCLE TIME

Repair cycle time is commonly expressed as "keys-to-keys" and is one of the top two measurements used by insurance companies to grade their DRP shops. Cycle time can be measured in a variety of ways so it's vital to understand how your DRP partners are measuring it.

3

NET PROMOTER SCORE (NPS)

It's a simple answer to a simple question: "How likely (on a scale of 1-10) are your customers to recommend your shop to a family member or friend?" The actual score is calculated by taking the number of customers who answer 9 or 10 and subtracting the number of customers who answer 1 through 6. Knowing your NPS is a great baseline for measuring and understanding overall customer satisfaction and loyalty.

4

PROFIT PERCENTAGE BY DEPARTMENT

This is Job Costing 101, but the ability to look at your cost centers and break this data out by insurance carrier or estimator will give you huge insight into the influences affecting your profitability by department.

5

SHOP CAPACITY

Capacity isn't just measured by the number of open bays or number of technicians available to do the job, but also depends on other variables—such as parts availability. If you don't know your shop's capacity, how can you effectively schedule vehicles?

6 PARTS RETURN RATE

What percentage of your parts orders contain some type of error? How much time do you spend tracking down parts and parts credits from your vendors? Knowing your parts return rate is crucial to scheduling accurately and keeping vehicles flowing from one department to another.

7 TRACKING SUBLET

Keeping track of your sublet work is important for a couple of reasons. First, you should know the total of sublet work per category because it might be more profitable for you to hire an extra employee and keep it in house (glass repair is a good example). It's also important to work sublets into the production schedule so that you don't forget to actually send the vehicle out to have the work completed (a common occurrence!).

8 SALES GOALS PERCENTAGES

It's a best practice to measure sales goals by estimator and insurance company especially since walk-in business typically accounts for less than 20% of a shop's business today. This way you will know which DRP programs are contributing to the bulk of your business.

9 BATTING AVERAGES—ESTIMATE → RO CLOSE RATES

Simply stated—know who your closers are. This will help you create incentive programs that reward top performers and also allow you to team up new estimators with your aces for an effective mentoring program.

10 VENDOR DISCOUNT PERCENTAGES

The average parts discount (industry-wide) is 28%. If you have a vendor that is not meeting your negotiated discount, it can seem like spare change when applied to a single order. Add it up over a year's time though, and it can amass to a large chunk of money. Holding your vendors to their agreed upon discounts drives integrity and helps your negotiations.

The best way to learn more about **RepairCenter** is to see it in action. Contact us for a demo today.

Call: **800.238.9111** | Visit the RepairCenter website: www.mitchellrepaircenter.com

Email us: RepairCenterInfo@mitchell.com

mitchell

Mitchell International, Inc.
6220 Greenwich Drive
San Diego, California 92122
800.238.9111
www.mitchell.com

All trademarks used in this brochure are trademarks or registered trademarks of their respective companies. All Mitchell products are trademarks or registered trademarks of Mitchell International, Inc. ©2011 Mitchell International, Inc. All rights reserved.

RC-TOP10KPI