



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?	_____	_____	_____