

# Five Key Performance Indicators That Demonstrate Shop Excellence

There are dozens of metrics a shop can track to ensure they're operating efficiently and generating the earnings needed to support shop owners and staff. These five, however, are among the most commonly tracked indicators by successful repair shops.

# KPI

## Key Performance Indicator



**Technician Productivity** is the percentage of a technician's time at a shop spent on billable work. If productivity is below 80%, you'll want to evaluate whether your car count or scheduling issues are keeping your profitability down.

# 80%



**Technician Efficiency** is the percentage of time quoted to a customer that's actually required to complete a job. A five hour job that a technician can complete in only four is 125% efficiency. Efficiency above 120% provides a cushion for profitability.

# 120%



**Scheduled Job Rate** is the percentage of work that is scheduled in advance. A high ratio of scheduled work allows planning for better productivity. It also indicates a higher level of maintenance work, which is more reliable and higher margin work for many shops.

# HIGH OR GROWING



**Car Count** is simply the number of cars coming through your shop in a month. If the types of work you are performing stay the same from month to month, a falling car count shows a need for better marketing and retention, and leads to less productive technicians.

# INCREASING WITHOUT MARGIN REDUCTIONS



**Net Profit** is how much money is left after labor, parts, overhead, and taxes are paid. Some of this should be retained for future shop expenses, to avoid future interest payments on upgrades!

# 12% OR ENOUGH TO SLEEP EASY AT NIGHT!

“ Shops with higher profit margins are more likely to routinely track performance. 85% of shops reporting a 60% or higher gross profit said they routinely track KPIs. ”

*2016 Ratchet+Wrench Shop Performance Survey*



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