# THE FIXED OPERATIONS GOLDEN METRICS 2025

# TABLE OF CONTENTS

# INTRO AND METHODOLOGY

Tracking the most important metrics that illuminate when things are going well in a service department and when they are not, is vital for influencing decisions that affect a dealership's health.

Specifically, this report looks at:

- Hours (both total sold and per repair order)
- Effective Labor Rate (ELR)
- Profit per customer pay repair order (RO)

These data points fluctuate from day to day, month to month, and year to year. But through it all, they help make sure dealerships remain profitable and identify opportunities for growth.

The following pages examine these "golden metrics" in dealerships from across the country and details both expected and unexpected trends within the data. And it will once again provide insight into how to improve results.

The data is broken down in two ways: by urban classification and volume.

Urban classification of the data is tied to the dealership's ZIP code. To determine the urban classification of a ZIP code, we considered several factors, including:

- The U.S. Census Bureau's metropolitan statistical areas
- A list of the most populated cities as estimated by the U.S. Census Bureau
- ZIP code population and ZIP code population density per square mile

Thus, each ZIP code, and by extension each dealership within the data, is assigned an urban classification. The four classifications are: Major Urban, Metro, Community, and Rural.

For volume, we referenced the number of ROs monthly and assigned a classification based on the chart to the right.

The report also examines the impact technicians have on golden metrics when using tools that make adding work to the repair order easier.
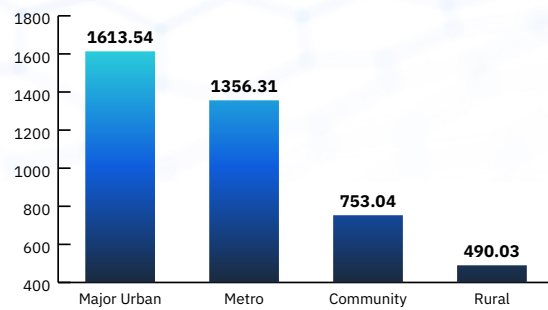


CUSTOMER PAY REPAIR ORDERS /
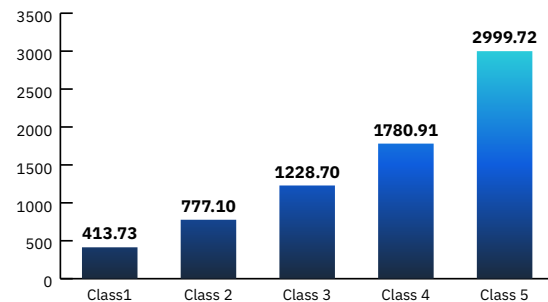MONTH VOLUME CLASSIFICATION

# TOTAL HOURS

Looking first at total hours sold per month, the data immediately shows what will be a trend throughout this report. Many of the yearly average findings have similar patterns to the previous report, as they are aggregated over the course of an entire 12 months of data.

However, this year the individual monthly averages are included in the report to show additional trends and work toward establishing a benchmark to measure future findings against.
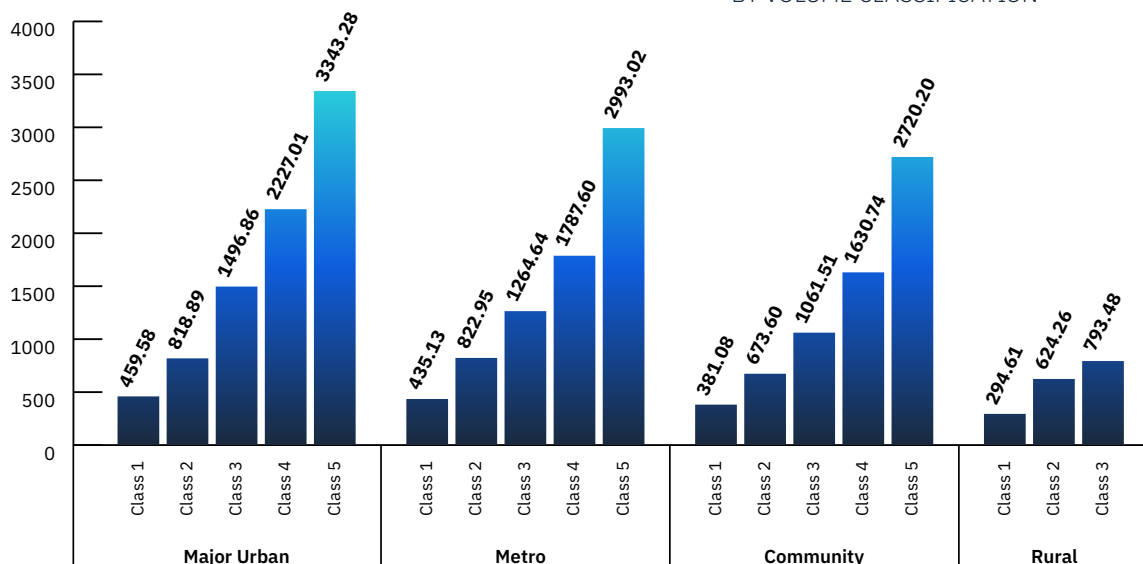
As seen in the charts to the right and below, larger urban classifications, with more people and the availability of more potential hours, sold more hours than smaller classifications. Similarly higher volume stores naturally sell more hours than lower volume stores.

AVERAGE TOTAL HOURS
BY URBAN CLASSIFICATION

Major Urban: 1613.54
Metro: 1356.31
Community: 753.04
Rural: 490.03

AVERAGE TOTAL HOURS
BY VOLUME CLASSIFICATION

Class1: 413.73
Class 2: 777.10
Class 3: 1228.70
Class 4: 1780.91
Class 5: 2999.72

VOLUME IMPACT ON AVERAGE TOTAL
HOURS BY URBAN CLASSIFICATION

**Major Urban**
Class 1: 459.58
Class 2: 818.89
Class 3: 1496.86
Class 4: 2227.01
Class 5: 3343.28

**Metro**
Class 1: 435.13
Class 2: 822.95
Class 3: 1264.64
Class 4: 1787.60
Class 5: 2993.02

**Community**
Class 1: 381.08
Class 2: 673.60
Class 3: 1061.51
Class 4: 1630.74
Class 5: 2720.20

**Rural**
Class 1: 294.61
Class 2: 624.26
Class 3: 793.48

# TOTAL HOURS

When the individual monthly averages for total hours sold are examined, a clear dip in activity happened in September, followed by a spike of activity in October.

When historical data is examined, September 2024 results were consistently below the outcomes we saw the previous September across all urban classifications. Meanwhile, October 2024 results were consistently above the outcomes we saw the previous October, and in line with what were expected, across all urban classifications.

It appears something stymied year-over-year growth in September, however the data does not provide us insight into the exact cause.

As for the decrease in hours sold in September followed by the spike in October in both years, it may simply be part of the cyclical nature of the business. And again, the data does not provide the kind of insight needed to know the cause with certainty.
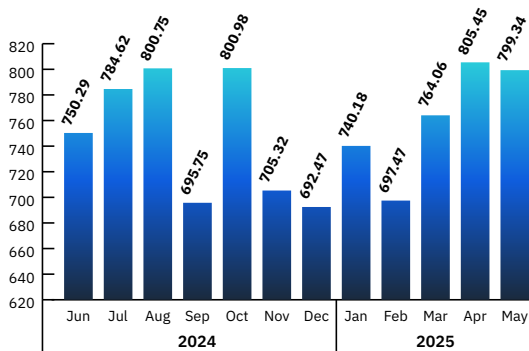
There are simply too many variables (natural disasters, supply chain disruptions, economic pressures, etc.) that could play a role in why this dip and spike is occurring to provide a definitive reason.
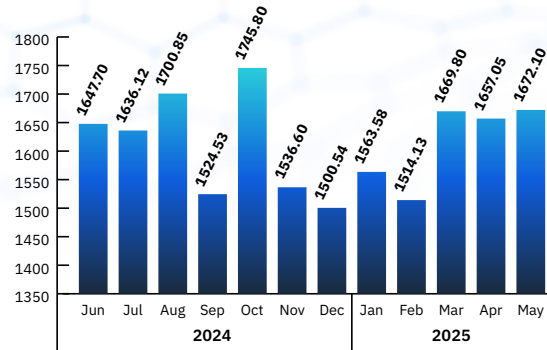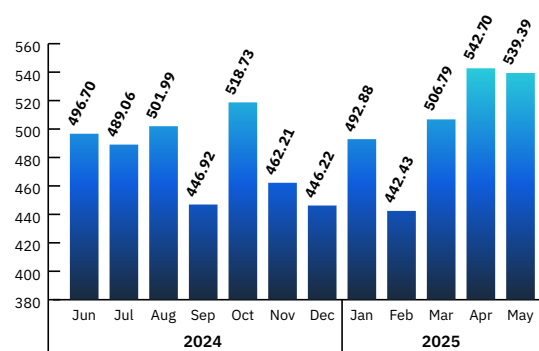
MONTHLY AVERAGE TOTAL
HOURS IN MAJOR URBAN AREAS
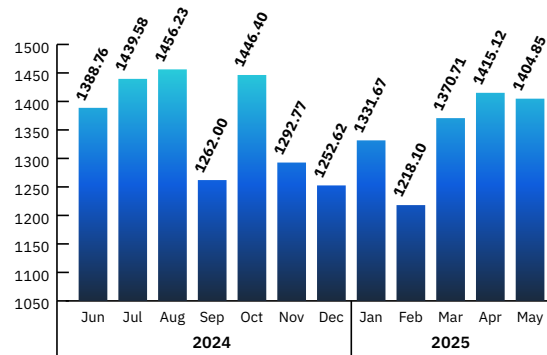
MONTHLY AVERAGE TOTAL
HOURS IN METRO AREAS

MONTHLY AVERAGE TOTAL
HOURS IN COMMUNITY AREAS

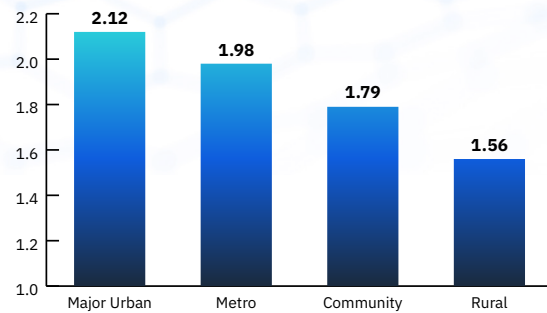MONTHLY AVERAGE TOTAL
HOURS IN RURAL AREAS

# HOURS PER RO

When it comes to service department success, often hours per repair order is the go-to metric. The data for the past year indicates that hours per RO have increased slightly in many urban classifications. Major Urban, Metro, and Rural areas saw minor increases in hours per RO (0.01 - 0.07 hours depending on area), with Communities holding steady.

When the data is examined from a volume standpoint there were slight decreases year-over-year in most volume classes (0.05 hours or less), with Class 1 shops seeing a 0.06 increase in hours per RO.

Much of the data supports expected results with larger urban areas selling more hours per RO than smaller areas of population due to a higher demand for service and opportunity. Similarly, the data supports expected results with lower volume shops able to sell more hours per RO than higher volume shops due to availability of time.
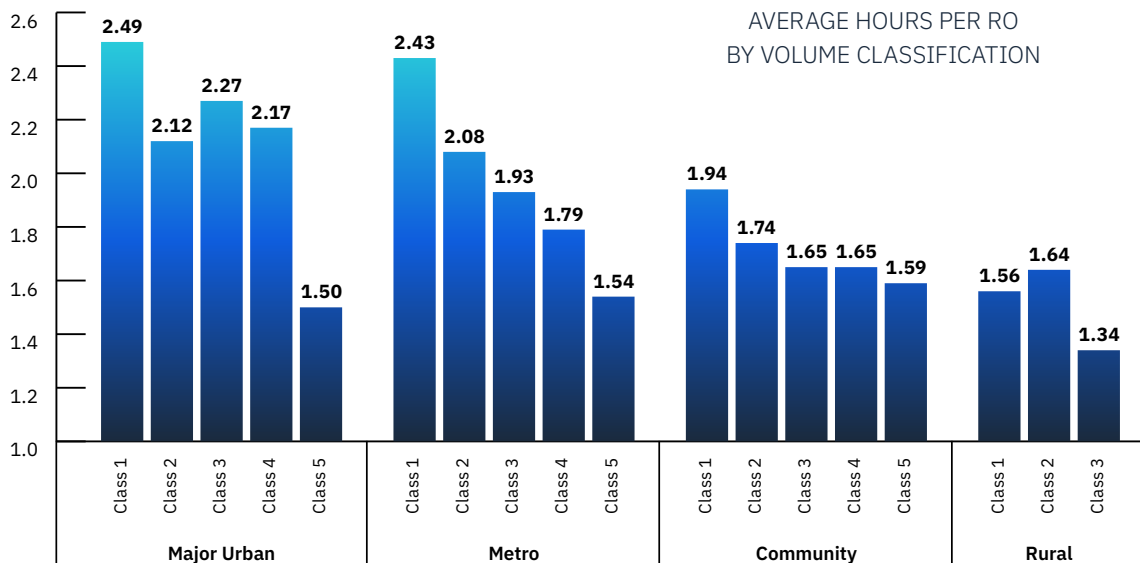
Regardless, the data shows all of those metrics can be improved by seeking efficiencies, as shown later in this report.

AVERAGE HOURS PER RO
BY URBAN CLASSIFICATION
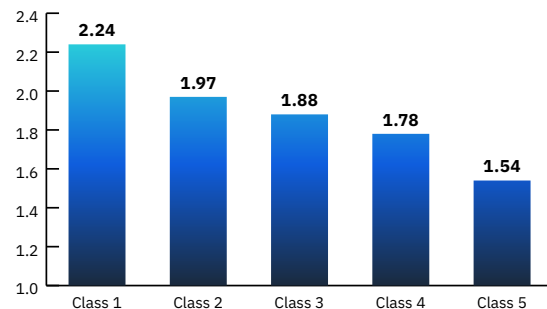
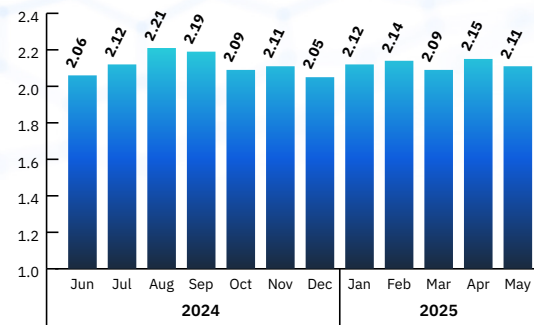AVERAGE HOURS PER RO
BY VOLUME CLASSIFICATION

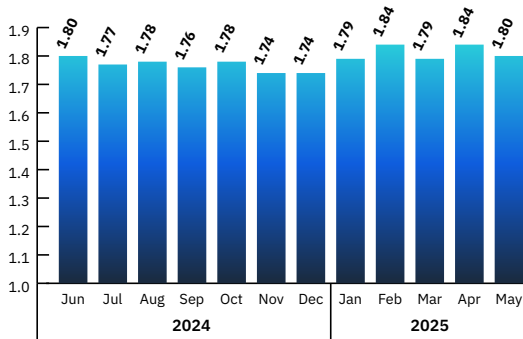VOLUME IMPACT ON AVERAGE HOURS PER RO
BY URBAN CLASSIFICATION

# HOURS
# PER RO

When the monthly averages for the different urban classifications are examined, we see little volatility month-to-month in most areas. Rural areas do show higher volatility in hours per RO, which may suggest bigger swings in averages, due to less volume to offset the highs and lows.

Additionally, the lack of significant changes in average month-to-month hours per RO, related to the ebb and flow of total hours across the same time span, indicates an opportunity to increase profit. If additional volume can be found, and the same commitment to process can be followed, during slower winter months from November – February an increase in profits is likely to follow.
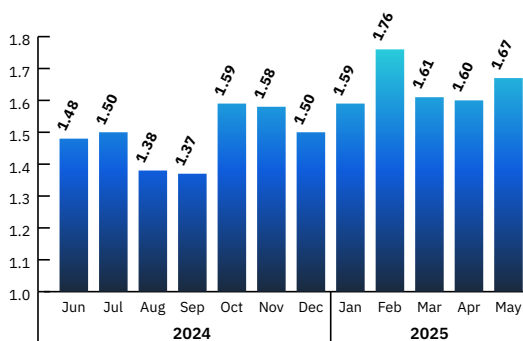
MONTHLY AVERAGE HOURS PER
RO IN MAJOR URBAN AREAS

MONTHLY AVERAGE HOURS PER
RO IN COMMUNITY AREAS
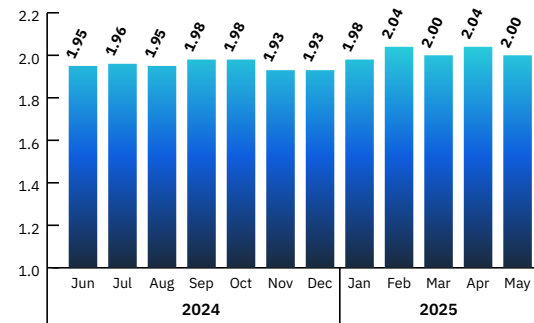
MONTHLY AVERAGE HOURS PER
RO IN METRO AREAS

MONTHLY AVERAGE HOURS PER
RO IN RURAL AREAS

# EFFECTIVE LABOR RATE

Effective labor rates were up across the board in every urban and volume classification, according to the data. Depending on the area, ELR was up roughly $3-$8 on average year-over-year. When we examined the data by volume, it was up roughly $4-$9 on average year-over-year depending on how busy the shop was.

As expected, based on historical data, a smooth decline in average based on population and volume was seen in the data. However, not everything about an increase to ELR is good. One of the concerns here should be price elasticity.
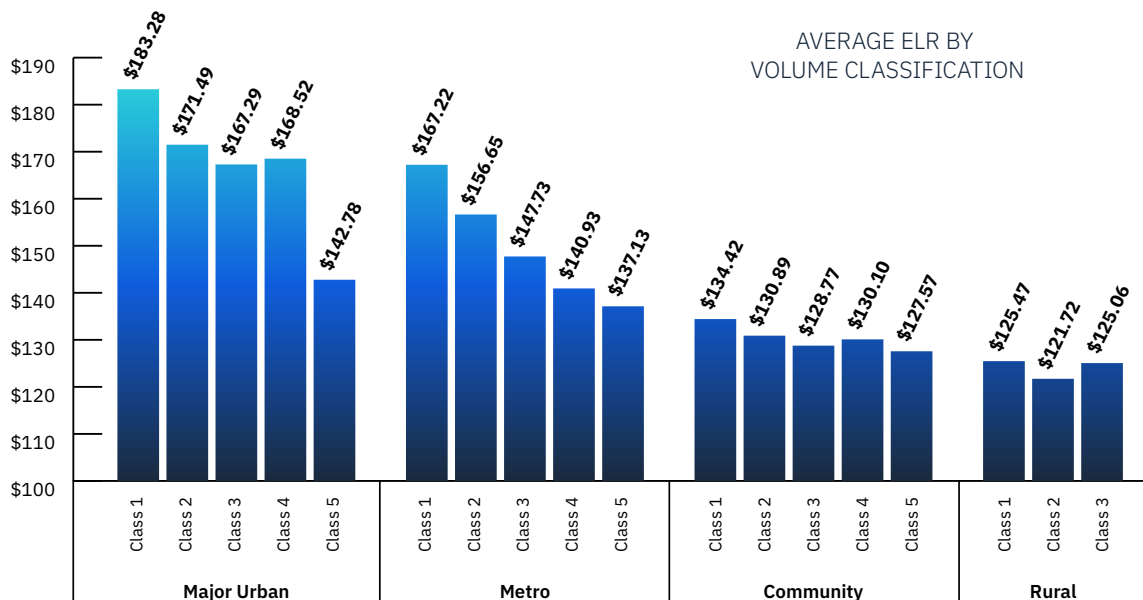
At some point, the market will reach a limit for price elasticity and consumers will decline work because of the cost. When that happens, better outcomes are likely to come from becoming more efficient and productive.
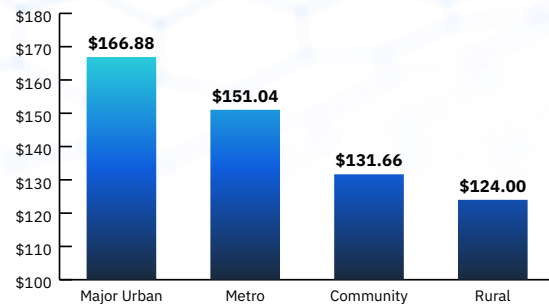
AVERAGE ELR BY
URBAN CLASSIFICATION
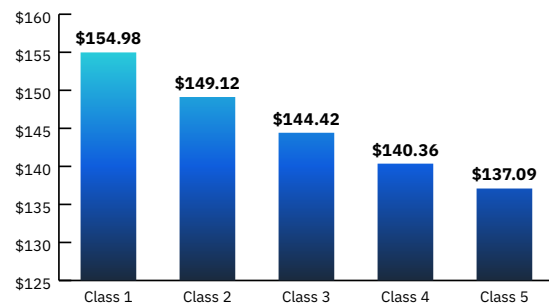
AVERAGE ELR BY
VOLUME CLASSIFICATION

VOLUME IMPACT ON AVERAGE ELR
BY URBAN CLASSIFICATION

# EFFECTIVE LABOR RATE

The 12-month averages show with stark clarity the ever-increasing march of ELR across all urban classifications. More volatile in Rural areas, this could be an echo of the same situation seen in the hours per RO results – bigger swings in averages, due to less volume to offset the highs and lows.
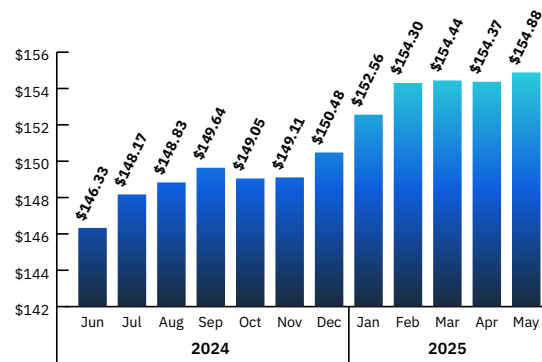
Regardless, every urban classification is well above the average from 12 months ago. There will be a limit to what consumers will spend, so it is important to stay focused on the nuances of ELR and what type of work is being performed, rather than just the average rate being charged.
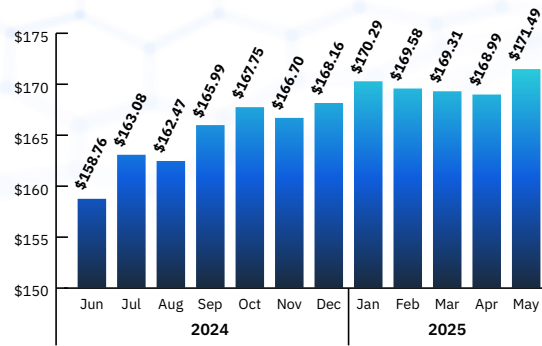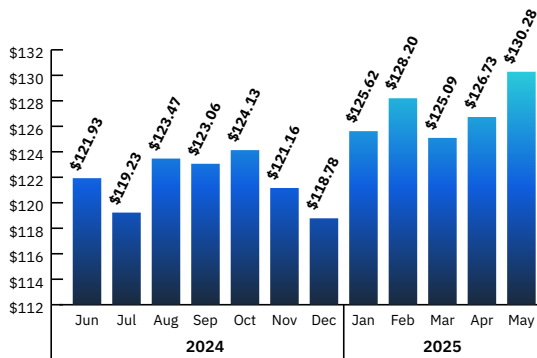


MONTHLY AVERAGE ELR
IN MAJOR URBAN AREAS
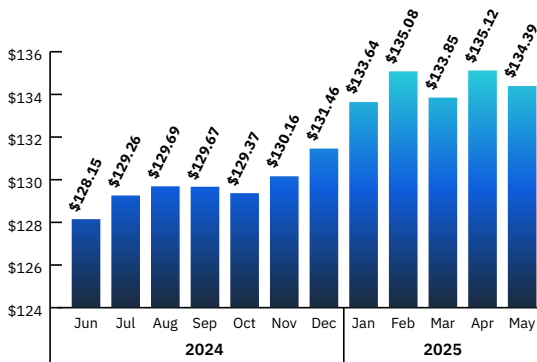


MONTHLY AVERAGE ELR
IN COMMUNITY AREAS



MONTHLY AVERAGE ELR
IN METRO AREAS



MONTHLY AVERAGE ELR
IN RURAL AREAS

# PROFIT PER CUSTOMER PAY RO

When it comes to profit per customer pay RO, expected trends were found within the yearly average data. As the population in urban settings increases so do profits, and as volume increases, profits per customer pay RO decrease. These dynamics naturally lend themselves to the basic economic principle of supply and demand, and the finite amount of time available respectively.

To that end, profit per customer pay RO is up across nearly every urban and volume classification. The amount of increase varies from classification to classification. For instance, average profit per customer pay RO in Major Urban settings is up by roughly $33, $23 in Metro areas, and $9 in Communities. Dealerships in rural areas saw a minor increase of roughly $2 per RO year-over-year.

It should also be noted that any decrease in average profit per customer pay RO from one volume class to another is not a sign of failure. Contrarily, the decreased profit per customer pay RO more than pays off when volume is calculated into the equation.
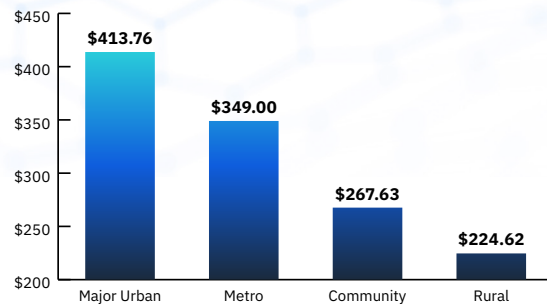
AVERAGE PROFIT PER CUSTOMER PAY RO BY URBAN CLASSIFICATION
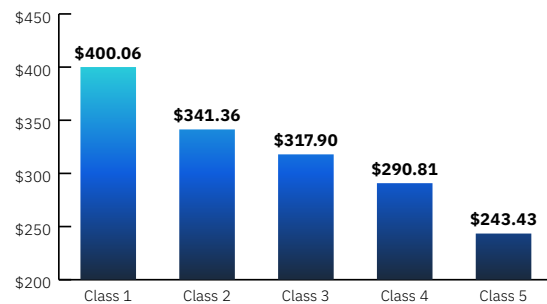
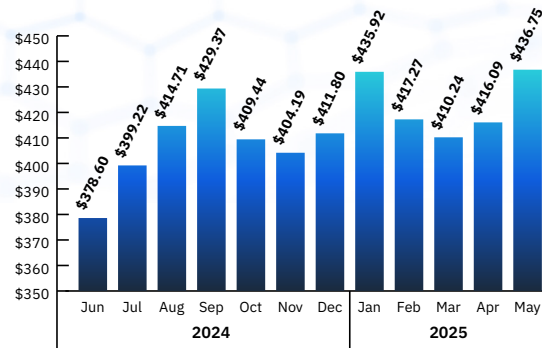AVERAGE PROFIT PER CUSTOMER PAY RO BY VOLUME CLASSIFICATION
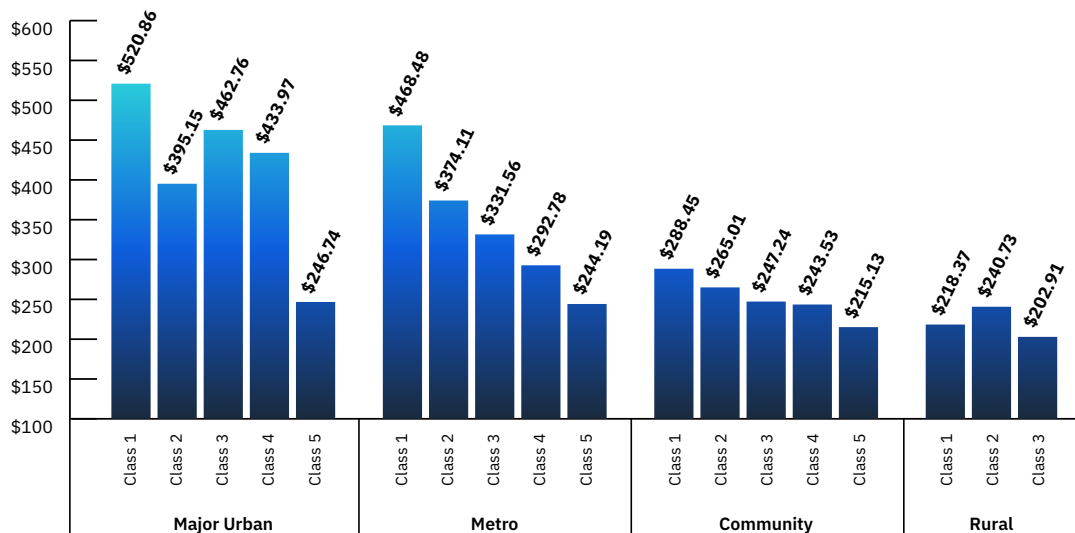
VOLUME IMPACT ON AVERAGE PROFIT PER CUSTOMER PAY RO BY URBAN CLASSIFICATION
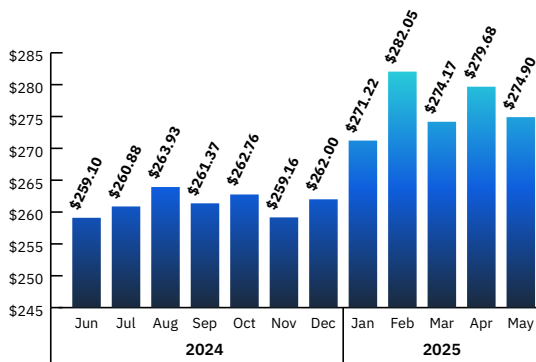
# PROFIT PER CUSTOMER PAY RO

As the data shows, profits skyrocketed in January 2025, around the same time ELR started to peak. The data doesn't allow us to infer causation for this increase in ELR and Profit, but it's conceivable outside influences may have played a significant role.
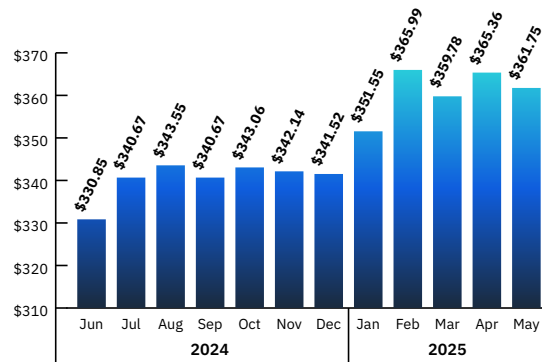
Regardless of the cause, the first half of 2025 appears to be a very profitable time for service departments across all urban classifications.
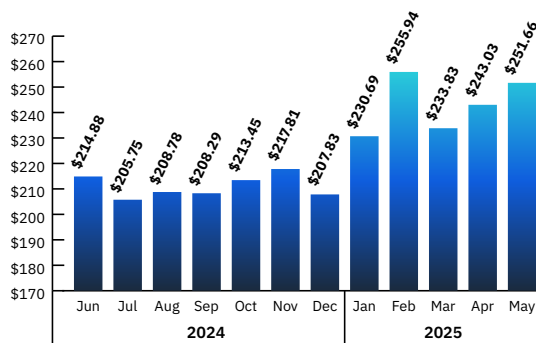


MONTHLY AVERAGE PROFIT PER CUSTOMER PAY RO IN MAJOR URBAN AREAS



MONTHLY AVERAGE PROFT PER CUSTOMER PAY RO IN COMMUNITY AREAS



MONTHLY AVERAGE PROFIT PER CUSTOMER PAY RO IN METRO AREAS



MONTHLY AVERAGE PROFIT PER CUSTOMER PAY RO IN RURAL AREAS

# TECHNICIAN INVOLVEMENT

Across several metrics, the data has shown that efficiency and productivity are vitally important to maximizing profitability. And while there are many factors outside the control of the dealership that can impact these metrics, the technician's involvement remains a key to success and growth.

To have a positive impact, however, technicians need to have access to tools that will help them be as efficient and productive as possible. Often these tools will automate processes such as determining if parts are available and how much they cost before sending the recommendation to the advisor and adding them to the RO.

When done manually, such processes are prone to inaccuracies in quotes and time wasted. The data shows dealerships that use a tool to create these efficiencies saw significant, lucrative results over dealerships without one.

On the following pages are the monthly averages for each golden metric. The data has been split into dealerships with technicians using an efficiency tool in an ideal way, and dealerships with technicians that do not have an efficiency tool. The results are distinct and dramatic.
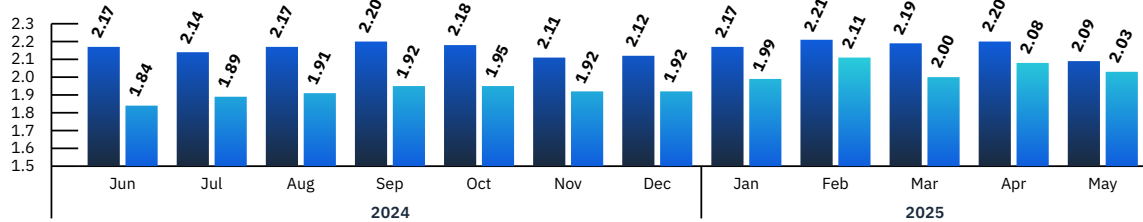
First you will see the results for all urban classifications combined, then the results for each volume classification.
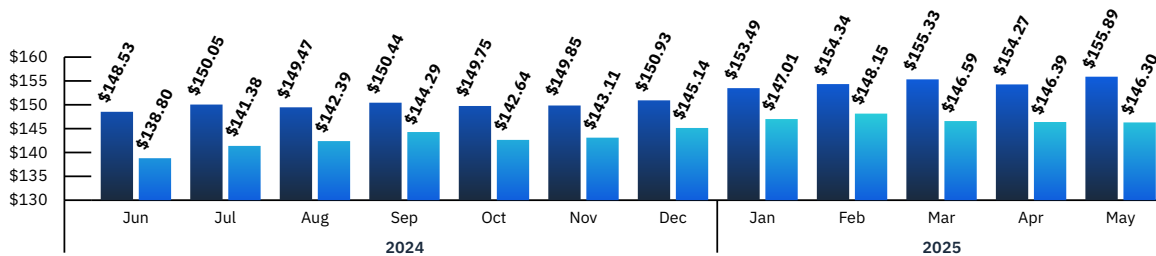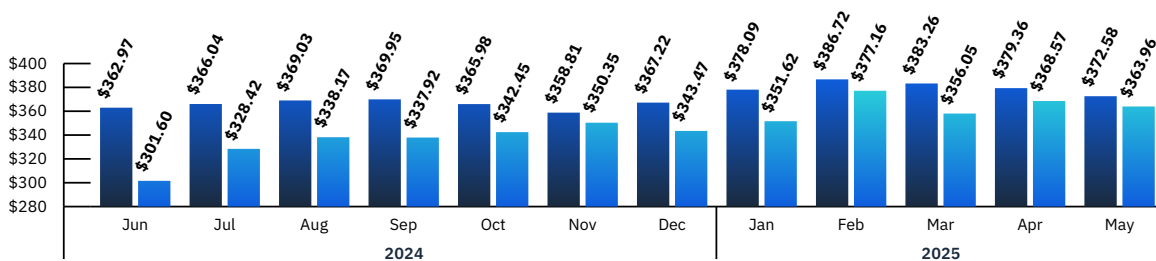
# INDIVIDUAL MONTHLY AVERAGE
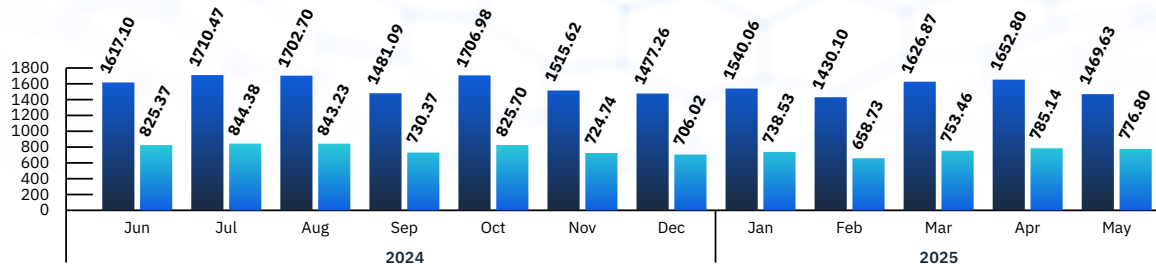


MONTHLY AVERAGE TOTAL HOURS USING
TECHNICIAN RECOMMENDATION SOFTWARE

■ Ideal Usage
■ No Solution



MONTHLY AVERAGE HOURS PER RO USING
TECHNICIAN RECOMMENDATION SOFTWARE

■ Ideal Usage
■ No Solution



MONTHLY AVERAGE ELR USING
TECHNICIAN RECOMMENDATION SOFTWARE

■ Ideal Usage
■ No Solution



MONTHLY AVERAGE PROFIT PER CUSTOMER PAY RO
USING TECHNICIAN RECOMMENDATION SOFTWARE

■ Ideal Usage
■ No Solution

# RO VOLUME CLASS 1

Class 1 service departments see at most 300 customer pay ROs per month. Stores in this volume classification can have a large impact on their performance by involving the technician in the quoting process.
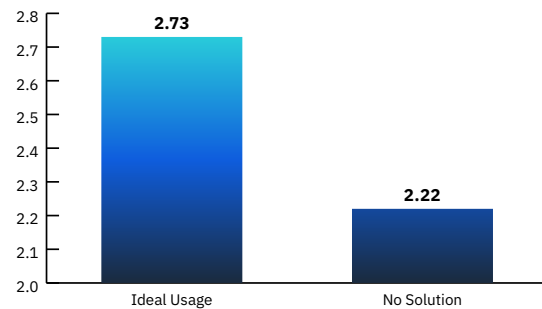
When comparing the average results of shops where technicians are quoting the work they found with an automated tool against those who are not, the advantages are clear:

- An additional 194.47 total hours sold, resulting in an additional 0.51 hours per RO
- A $18.85 increase in ELR, achieved by finding and adding additional work beyond basic maintenance to the RO
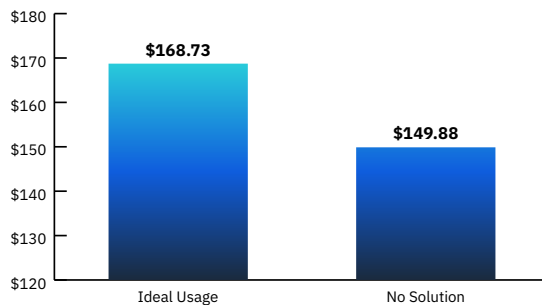- A $62.30 increase in profit per customer pay RO

At the median number of ROs per month (150), shops that efficiently involve the tech in the quoting process saw $9,345 per month more profit on average than those that do not.
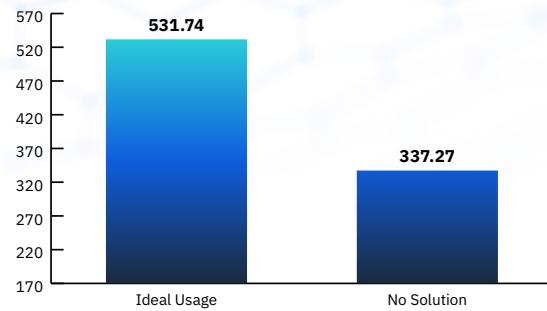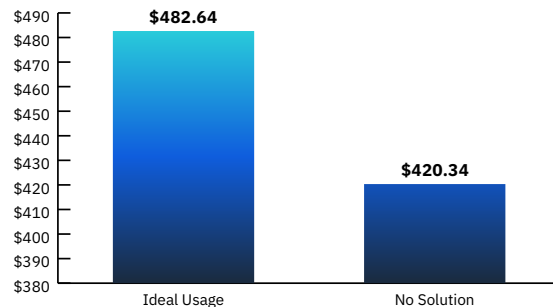
AVERAGE TOTAL HOURS USING
TECHNICIAN RECOMMENDATION SOFTWARE

AVERAGE HOURS PER RO USING
TECHNICIAN RECOMMENDATION SOFTWARE

AVERAGE ELR USING TECHNICIAN
RECOMMENDATION SOFTWARE

AVERAGE PROFIT PER CUSTOMER PAY RO USING
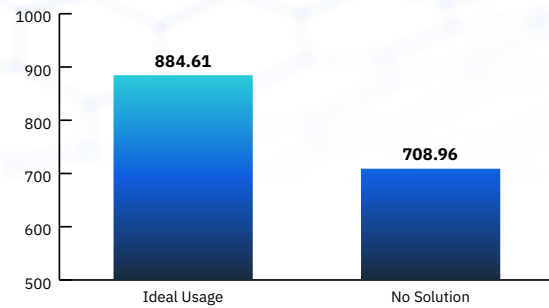TECHNICIAN RECOMMENDATION SOFTWARE

# RO VOLUME
# CLASS 2

Class 2 service departments see between 301 and 499 customer pay ROs per month. Like Class 1 dealerships, these shops are in a prime position to boost profitability by making it easy for their techs to accurately quote jobs.
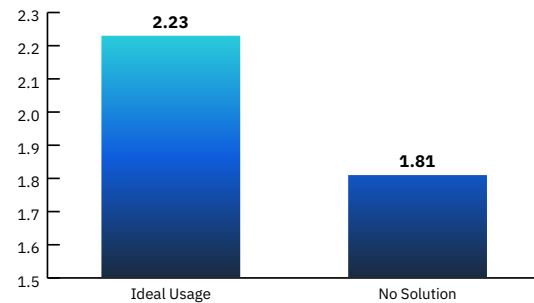
When comparing the average results of shops where technicians are quoting the work they found with an automated tool against those who are not, the advantages are clear:

- An additional 175.65 total hours sold, resulting in an additional 0.42 hours per RO
- A $15.47 increase in ELR, achieved by finding and adding additional work beyond basic maintenance to the RO
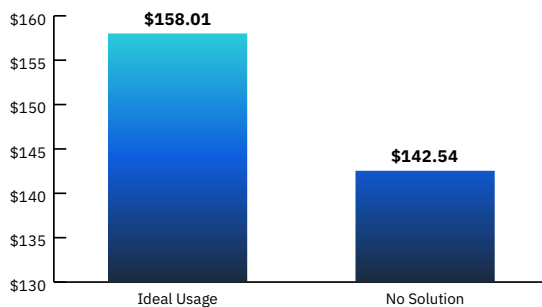- A $95.52 increase in profit per customer pay RO

At the median number of ROs per month (400), shops that efficiently involve the tech in the quoting process saw $38,208 per month more profit on average than those that do not.
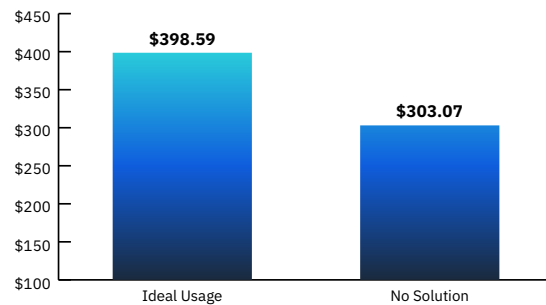
AVERAGE TOTAL HOURS USING
TECHNICIAN RECOMMENDATION SOFTWARE

AVERAGE HOURS PER RO USING
TECHNICIAN RECOMMENDATION SOFTWARE

AVERAGE ELR USING TECHNICIAN
RECOMMENDATION SOFTWARE

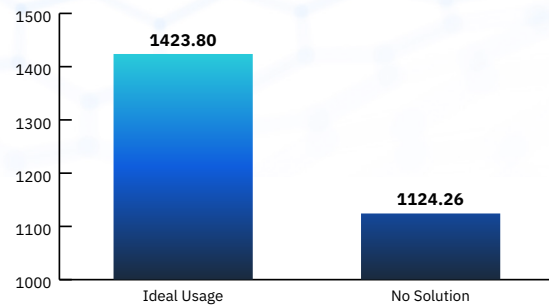AVERAGE PROFIT PER CUSTOMER PAY RO USING
TECHNICIAN RECOMMENDATION SOFTWARE

# RO VOLUME
# CLASS 3

Class 3 service departments see on average between 500 and 849 customer pay ROs per month.
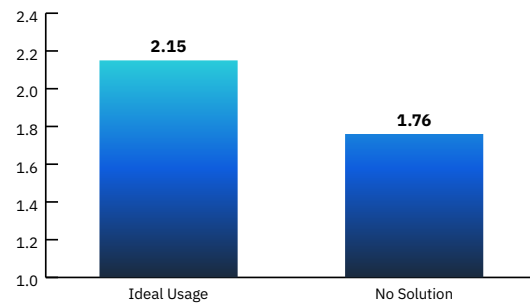
When comparing the average results of shops where technicians are quoting the work they found with an automated tool against those who are not, the advantages are clear:

- An additional 299.54 total hours sold, resulting in an additional 0.39 hours per RO
- A $9.65 increase in ELR, achieved by finding and adding additional work beyond basic maintenance to the RO
- A $76.66 increase in profit per customer pay RO
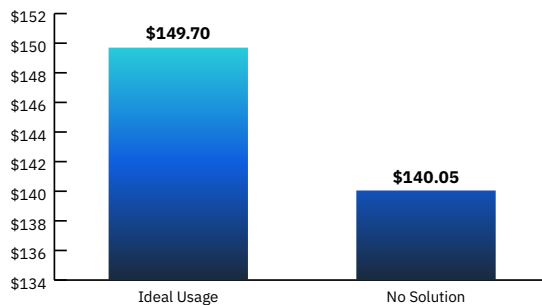
At the median number of ROs per month (675), shops that efficiently involve the tech in the quoting process saw $51,745.50 per month more profit on average than those that do not.
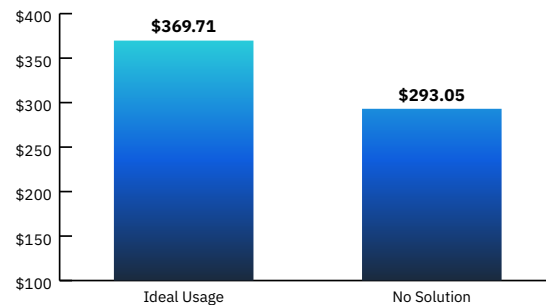
AVERAGE TOTAL HOURS USING
TECHNICIAN RECOMMENDATION SOFTWARE

AVERAGE HOURS PER RO USING
TECHNICIAN RECOMMENDATION SOFTWARE

AVERAGE ELR USING TECHNICIAN
RECOMMENDATION SOFTWARE

AVERAGE PROFIT PER CUSTOMER PAY RO USING
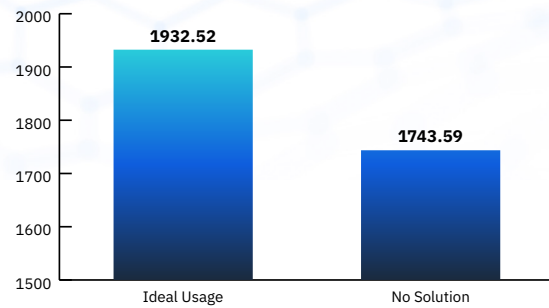TECHNICIAN RECOMMENDATION SOFTWARE

# RO VOLUME CLASS 4

Class 4 service departments see on average between 850 and 1,199 customer pay ROs per month.
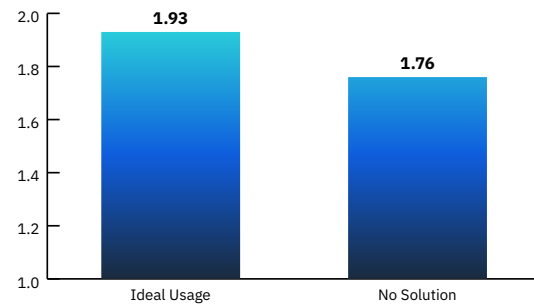
When comparing the average results of shops where technicians are quoting the work they found with an automated tool against those who are not, the advantages are clear:

- An additional 188.93 total hours sold, resulting in an additional 0.17 hours per RO
- A $11.22 increase in ELR, achieved by finding and adding additional work beyond basic maintenance to the RO
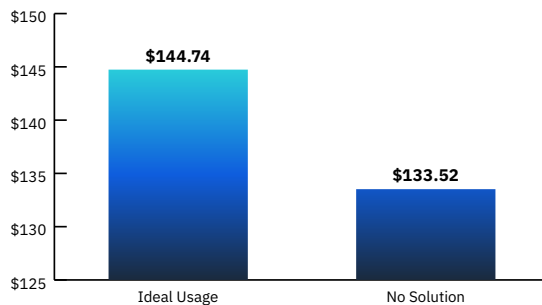- A $46.97 increase in profit per customer pay RO

At the median number of ROs per month (1,024), shops that efficiently involve the tech in the quoting process saw $48,097.28 per month more profit on average than those that do not.
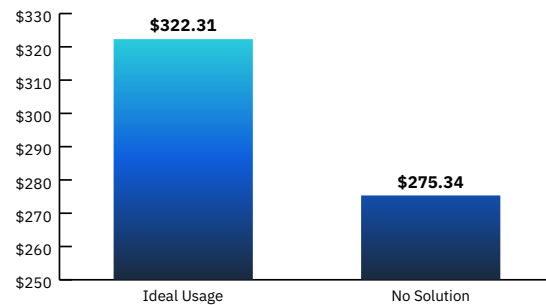


AVERAGE TOTAL HOURS USING
TECHNICIAN RECOMMENDATION SOFTWARE



AVERAGE HOURS PER RO USING
TECHNICIAN RECOMMENDATION SOFTWARE



AVERAGE ELR USING TECHNICIAN
RECOMMENDATION SOFTWARE



AVERAGE PROFIT PER CUSTOMER PAY RO USING
TECHNICIAN RECOMMENDATION SOFTWARE

# RO VOLUME CLASS 5

Class 5 service departments see on average more than 1,200 customer pay ROs per month. This class of service departments is the highest volume classification of shops.

When comparing the average results of shops where technicians are quoting the work they found with an automated tool against those who are not, the advantages are clear:

- An additional 712.86 total hours sold, resulting in an additional 0.19 hours per RO

- A $6.96 increase in ELR, achieved by finding and adding additional work beyond basic maintenance to the RO

- A $47.09 increase in profit per customer pay RO

At the minimum number of ROs per month (1,200), shops that use the tool saw $56,508 per month more profit on average than those that do not. That adds up to an extra $678,096 per year.
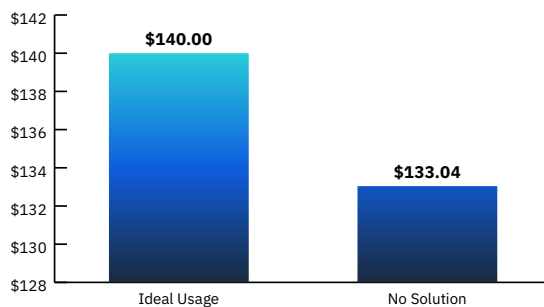
Based on the data, it's clearly possible for shops that service more than 1,200 customer pay ROs per month to squeeze a little more work into those busy days. Doing so could be quite lucrative for both the technician and the dealership.
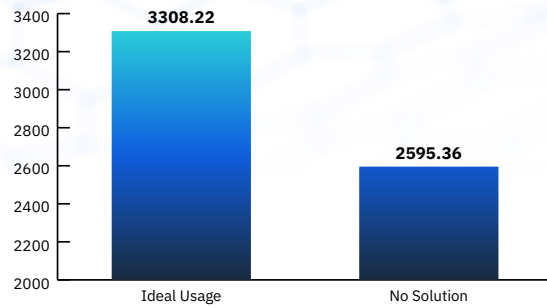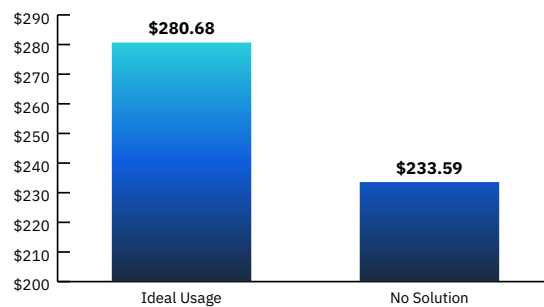
AVERAGE TOTAL HOURS USING
TECHNICIAN RECOMMENDATION SOFTWARE
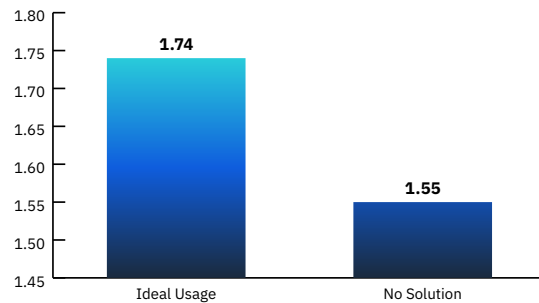
AVERAGE HOURS PER RO USING
TECHNICIAN RECOMMENDATION SOFTWARE

AVERAGE ELR USING TECHNICIAN
RECOMMENDATION SOFTWARE

AVERAGE PROFIT PER CUSTOMER PAY RO USING
TECHNICIAN RECOMMENDATION SOFTWARE

# CONCLUSION

Based on the data, it's clear there are opportunities for growth at dealerships in every urban and volume classification. Because there are many factors outside the control of the dealership, efficiency and productivity are keys to seizing these opportunities.

However, keeping a wary eye on the elasticity of the market and carefully considering labor rates may also be beneficial. Transparency and clear communication are key factors in strengthening relationships with customers, leading to higher retention.

And finding ways for technicians to be more efficient and productive will assist service departments in being more profitable. Whether it is training staff, honing processes, or securing software and AI tools to help technicians, finding ways to sell more work when capacity is available will boost profits for the business and its employees.

If any dealership has questions about how to address their service department's unique needs, it can reach out to Reynolds for assistance. We're always happy to help identify ways to strengthen business outcomes.

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