

# MEASURING UP:

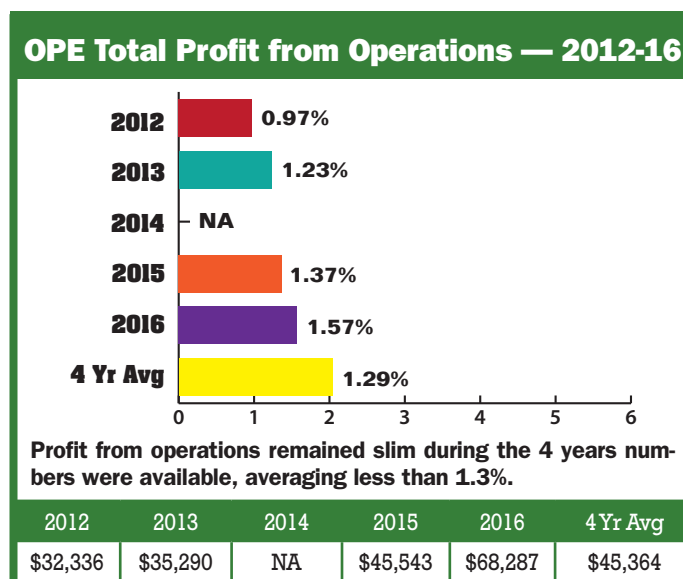
## Tracking Total Profit & Net Income

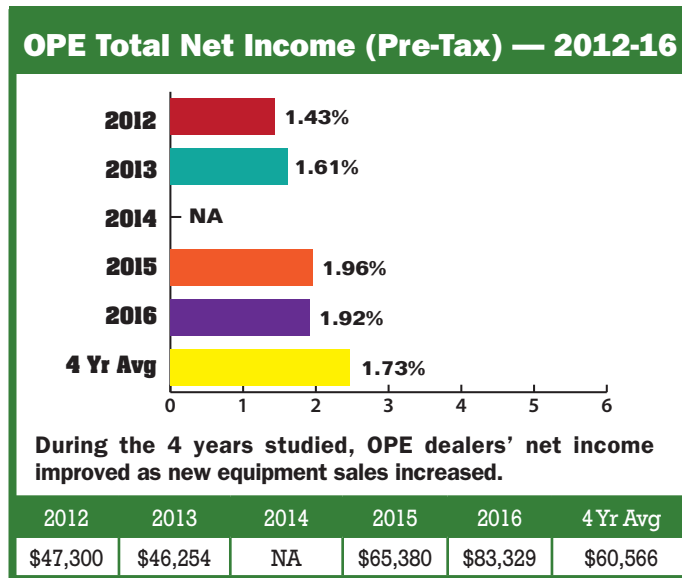
*By Dave Kanicki, Executive Editor*

*See if your dealership's performance is in line with what other dealer are achieving for total profit and net income*

### Total Profit & Net Income

One of the anomalies in the numbers showed up in total profit from operations in 2014. While the other 4 years ranged from less than 1% in 2012 to nearly 1.6% in 2016, in 2014 calculations showed a total profit from operations at nearly 5.1%. Reducing overall expenses can help improve profits, and according to the 2014 report, total expenses fell by nearly 5.5% between 2013-14. And as reported earlier, 2014 was the lowest revenue year of the 5 covered in this report. Nonetheless, there





isn't enough other detail to determine why this anomaly showed up. (See the charts above.)

Excluding the high profit level of 2014, the average profit from operations for the period was 1.29%.

This anomaly also showed up in dealers' net income figures for 2014. That year, OPE dealers reported an average net income of 5.43%. This compares to a low of 1.43%, which was reported in 2012 and a high of 1.96% for 2015, which was slightly higher than 2016 (1.92%) when revenues were 30% higher. Again, excluding the 2014 number, the average net income for the period was 1.73%.