

Collision Industry Profitability Potential in 1987

	Sales Mix	GP%	GP Contribution
Body Labor	30.0%	60.0%	18.0%
Paint Labor	20.0%	60.0%	12.0%
Parts Sales	30.0%	27.0%	8.1%
Sublet Sales	10.0%	33.0%	3.3%
P&M Sales	10.0%	30.0%	3.0%
Total	100.0%	44.4%	

FIGURE 1.

Impact of Parts to Labor Ratio

	Sales Mix	GP%	GP Contribution
Body Labor	20.0%	60.0%	12.0%
Paint Labor	20.0%	60.0%	12.0%
Parts Sales	40.0%	27.0%	10.8%
Sublet Sales	10.0%	33.0%	3.3%
P&M Sales	10.0%	30.0%	3.0%
Total	100.0%	41.1%	

FIGURE 2.

Collision Industry Profitability Potential in 2007

	Sales Mix	GP%	GP Contribution
Body Labor	20.0%	55.0%	11.0%
Paint Labor	20.0%	55.0%	11.0%
Parts Sales	40.0%	20.0%	8.0%
Sublet Sales	10.0%	30.0%	3.0%
P&M Sales	10.0%	30.0%	3.0%
Total	100.0%	36.0%	

FIGURE 3.

Replace Fender

			GP%	GP \$'s
Body Labor	2.0 hrs. @ \$50.00/hr.	100.00	55%	55.00
Paint Labor	2.5 hrs. @ \$50.00/hr.	125.00	55%	68.75
Parts		200.00	20%	40.00
Paint Material	2.5 hrs. @ \$25.00/hr.	62.50	30%	18.75
Total	7.0	487.50	37%	182.50

Repair Fender

			GP%	GP \$'s
Body Labor	4.0 hrs. @ \$50.00/hr.	200.00	55%	110.00
Paint Labor	2.0 hrs. @ \$50.00/hr.	100.00	55%	55.00
Parts		0.00	20%	0.00
Paint Material	2.0 hrs. @ \$25.00/hr.	50.00	30%	15.00
Total	8.0	350.00	51%	180.00

FIGURE 4. Gross Profit Analysis

Replace Fender

Billed Hours	7
Efficiency	150%
Worked Hours	4.67
GP \$'s	182.50
GP \$'s/Hours Worked	26.07

Repair Fender

Billed Hours	8
Efficiency	150%
Worked Hours	5.33
GP \$'s	178.75
GP \$'s/Hours Worked	22.34

FIGURE 5. Gross Profit Per Worked Hour