

Dealer Group Platform Leverage Assessment

Regional Auto Group

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Executive Summary

The January 2026 operational analysis identified \$800K in annual gross profit recovery through targeted interventions at two stores: Store A Fixed Operations and Store C Variable Operations. That analysis focused on high-confidence opportunities with near-term execution paths.

This assessment examines platform-wide standardization. The analysis identifies \$3.8M in annual gross profit variance across the four-store segment: \$1.8M in Fixed Operations, \$2.0M in Variable Operations. Including secondary effects (ELR improvement, parts attachment, F&I penetration), the opportunity extends to \$4.3M, though secondary effects are directional rather than directly calculated. The difference between \$800K and \$3.8M reflects scope, not assumption aggressiveness.

The financial variance is quantifiable. The underlying structural issue is less visible: Regional Auto Group operates corporate infrastructure (shared services, executive oversight, centralized G&A) while maintaining store-level operational autonomy. This configuration incurs platform costs without generating corresponding operational leverage. Processes vary by location. Best practices remain localized. Management development paths do not transfer across stores.

With acquisition activity under consideration, this structural question has compounding implications. Each acquisition under the current model introduces additional process variance and integration requirements.

	Store A	Store B	Store C	Store D
Fixed Ops GP	\$3.28M	\$4.53M	\$2.22M	\$3.83M
Variable Ops GP	\$2.98M	\$3.47M	\$1.05M	\$1.86M
Labor \$/RO	\$170	\$219	\$286	\$444
Hours/RO	1.47	1.68	2.08	2.77
Close Rate	11.6%	11.7%	7.1%	10.7%

Investment: \$361K implementation cost. Return: \$1.9M–\$2.9M Year 1 GP recovery at 50–80% capture rates on the conservative \$3.8M base. Risk Profile: Monte Carlo simulation (10,000 iterations) indicates 100% probability of positive Year 1 net benefit at modeled parameters.

From Tactical to Strategic

The tactical analysis targeted two opportunities with established execution paths:

Opportunity	Mechanism	Recovery
Store A Fixed Ops	Labor \$/RO: \$170 → \$220 (peer level)	\$468K
Store C Variable Ops	Close rate: 7.1% → 9.4% (50% closure)	\$332K
Combined (Tactical Scope)		\$800K

That scope addressed specific underperformance, not the underlying variance pattern: four stores on a shared campus, with common traffic and demographics, operating at Hours/RO from 1.47 to 2.08 and close rates from 7.1% to 11.7%.

The variance appears process-driven rather than market-driven. If so, process standardization is the remedy.

Opportunity	Mechanism	Recovery
Fixed Ops (Store A + Store B)	Hours/RO to Store C benchmark (2.08)	\$1.8M
Variable Ops (All Stores)	Close rate to 13% campus-wide	\$2.0M
Combined (Directly Calculated)		\$3.8M
<i>Including Secondary Effects</i>	<i>ELR, parts attachment, F&I</i>	<i>\$4.3M</i>

The difference between \$800K and \$3.8M reflects scope rather than assumption aggressiveness. Both figures are derived from the same underlying data using consistent methodology.

The Structural Issue

Regional Auto Group operates a hybrid model: corporate infrastructure with store-level operational autonomy. This structure incurs the overhead associated with multi-unit scale without generating corresponding operational leverage.

\$3.8M

Annual GP variance from operational inconsistency

Platform infrastructure costs without corresponding operational leverage

Corporate G&A, shared services, and executive oversight exist to enable operational consistency, knowledge transfer, and scalable processes. When stores operate independently—with distinct workflows, lead handling, and training—the infrastructure cost remains while the leverage benefit goes unrealized.

The current model emerged incrementally rather than by design. Standardization introduces organizational friction. Store-level autonomy reduces coordination requirements. Over time, the path of least resistance produced the current configuration.

The result: inter-store variance treated as structural rather than diagnostic. In a standardized model, a 41% Hours/RO gap would indicate process failure requiring intervention. In the current model, it persists without triggering response.

Financial Evidence

The \$3.8M opportunity is constructed bottom-up from store-level performance data and validated against industry benchmarks.

Fixed Operations: \$1.8M Recovery

Hours/RO measures service advisor effectiveness. NADA Slide Guide 2025 benchmarks 2.0–2.5 Hours/RO for retail service excluding quick lane operations.

Store	Current	Target	Gap	RO Volume	Recovery
Store A	1.47 Hrs/RO	2.08 Hrs/RO	0.61 hrs	9,352	\$930K
Store B	1.68 Hrs/RO	2.08 Hrs/RO	0.40 hrs	12,684	\$857K
Store C	2.08 Hrs/RO	—	—	—	Benchmark
Total Fixed Ops					\$1.79M

Source: NADA Slide Guide 2025 (Hours/RO benchmark 2.0-2.5); Regional Auto Group Analysis workbooks (store performance)

Store C operates within NADA benchmark range at 2.08 Hours/RO, establishing internal proof that benchmark-level performance is achievable within Regional Auto Group's operating environment. Store A and Store B underperform relative to both internal peer and industry benchmark.

Variable Operations: \$2.0M Recovery

Close rate measures sales process effectiveness. Foureyes 2025 Benchmark Study (700+ US dealerships) documents 12.4% qualified lead close rate as industry standard.

Store	Current	Target	Gap	Incr. Units	Recovery
Store C	7.1%	13%	5.9 pts	522	\$860K
Store D	10.7%	13%	2.3 pts	145	\$399K
Store A	11.6%	13%	1.4 pts	136	\$352K
Store B	11.7%	13%	1.3 pts	151	\$382K
Total Variable Ops					\$1.99M

Source: Foureyes 2025 Benchmark Study (12.4% close rate); DAS Technology 2025 (lead response); Regional Auto Group CRM data

The 13% target is validated by current Store A (11.6%) and Store B (11.7%) performance, indicating achievability within Regional Auto Group's market conditions.

Non-Financial Considerations

The \$3.8M represents quantifiable annual variance. Additional structural effects are observable but not directly quantifiable.

Absence of Organizational Standard

No documented "Regional Auto Group way" exists for core operational processes. Each store maintains distinct approaches to service scheduling, MPI presentation, lead handling, and

performance management. Employees trained at one location require retraining to transfer to another.

Localized Best Practices

Process improvements developed at individual stores remain localized. When a service advisor develops an effective MPI presentation approach, that improvement does not propagate to other locations. Institutional learning accumulates at the store level rather than the organization level. The opportunity cost of non-transferred practices is not quantifiable but may be material over extended time horizons.

Management Development Constraints

Store-level operational variance limits management development options. Management candidates cannot develop through rotation across stores when each store operates distinct processes. The organization may recruit management externally rather than developing internal candidates through progressive responsibility.

Key Person Concentration

Each manager departure requires rebuilding the operational approach rather than transferring documented standards. Institutional knowledge is concentrated in individuals rather than codified in organizational process. Management transitions reset store operations rather than continuing established systems.

Integration Capacity

Research indicates 70–90% of acquisitions fail to deliver expected value, with integration failure as the primary cause (Harvard Business Review, McKinsey). Each acquisition under the current model introduces a new location with distinct processes and associated integration requirements. Integration backlog accumulates faster than organizational capacity to address it.

The Opportunity

Standardization would capture operational leverage from existing infrastructure investment. The objective is not centralized control but rather alignment of processes that benefit from consistency while preserving appropriate local discretion.

Candidates for Standardization

Area	Rationale
Core workflows	Service scheduling, MPI presentation, declined service recapture, lead response: processes that should work the same everywhere
Measurement	Same KPIs, measured the same way: variance becomes diagnostic signal, not noise
Best practice transfer	Innovations documented, validated, deployed: organizational learning compounds
Talent mobility	Employees can transfer, GMs develop through rotation: bench builds internally

Candidates for Continued Local Discretion

Area	Rationale
Local market judgment	GMs know their competitive dynamics, customer expectations, community factors
Customer-specific decisions	Individual deal negotiation, service recommendations, relationship management
Staffing flexibility	Scheduling, hiring pace, team composition based on local needs
Community engagement	Local marketing, sponsorships, reputation management

The Investment Case

Implementation investment totals \$361K. The analysis models GP recovery against this investment under varying capture rate assumptions.

Implementation Costs

Item	Amount	Source
Fixed Ops: External training (6 advisors × \$2,500)	\$15,000	NCM
Fixed Ops: Internal training opportunity cost	\$14,077	Loaded hourly rate
Fixed Ops: Management time—GM (20% × 12 mo)	\$39,000	Allocation
Fixed Ops: Management time—Store managers (10%)	\$62,400	Salary.com WA
Fixed Ops: Process documentation	\$9,000	Internal
Fixed Ops: Productivity dip (60 days × 15%)	\$64,800	Industry std
Fixed Ops: Technology investment	\$25,000	VinSolutions
Variable Ops: Process documentation	\$12,000	Internal
Variable Ops: CRM configuration	\$25,000	VinSolutions PS
Variable Ops: KPI dashboard	\$20,000	Configuration
Variable Ops: AI tool investment (Year 1)	\$30,000	DealerRefresh
Variable Ops: Sales manager training	\$18,000	Train-the-trainer
Variable Ops: Curriculum development	\$10,000	Internal
Variable Ops: Salesperson training opp. cost	\$16,800	Floor time
Total Implementation	\$361,077	

Sources: Indeed.com (advisor comp \$79,633 + commission); Salary.com WA (manager \$120,005); NCM Institute; DealerRefresh (AI pricing)

Risk-Adjusted Returns

Monte Carlo simulation (10,000 iterations) models uncertainty in capture rates, cost variance, and time to value using triangular distributions.

Parameter	Min	Mode	Max	Distribution
Fixed Ops capture rate	40%	60%	85%	Triangular
Variable Ops capture rate	35%	55%	75%	Triangular
Implementation cost variance	-10%	0%	+25%	Triangular
Time to full value (months)	6	9	18	Triangular

Simulation Results

Metric	P10 (Downside)	Expected	P90 (Upside)
Year 1 GP Recovery	\$1.87M	\$2.19M	\$2.51M
Year 1 Net Benefit	\$1.49M	\$1.81M	\$2.13M
Year 1 ROI	384%	480%	581%
3-Year NPV (@10%)	\$3.03M	\$3.72M	\$4.45M

At modeled parameters, simulation indicates 100% probability of positive Year 1 net benefit. Break-even requires 9.5% combined capture rate (conservative base) or 8.4% capture rate (with secondary effects), below the P10 assumption of 40% Fixed Ops / 35% Variable Ops capture.

Timing Considerations

Three conditions are relevant to implementation timing.

Acquisition Activity

Additional acquisitions under the current model introduce additional process variance and integration requirements. Standardization prior to acquisition activity would establish the integration target for acquired locations.

DMS Integration

First-order system integration from the prior merger is underway. Common DMS platform with store-specific processes would unify tooling without unifying workflow. DMS integration provides a coordination point for process standardization.

Shared Campus as Pilot

The four-store Shared Campus segment offers favorable conditions for pilot: shared geography, shared traffic patterns, shared customer base. Standardization outcomes at Shared Campus would inform enterprise-wide deployment decisions.

Implementation

Phase 1: Standard Definition (Months 1-3)

Document target processes for core workflows based on best-performing store plus industry benchmark validation. Establish KPIs and measurement methodology.

Deliverables: Standard Operating Procedures for 5–7 core workflows; KPI dashboard with store-level visibility.

Phase 2: Store C Pilot (Months 3-6)

Deploy documented standards at Store C. Configure VinSolutions for 10-minute lead escalation and required logging. Initiate AI tool pilot. Measure adoption, outcomes, and friction points.

Deliverables: Store C operating on documented standards; validated deployment playbook.

Phase 3: Campus Deployment (Months 6-12)

Extend standardization to A, B, and D. Store-by-store rollout with training. Performance management aligned to documented standards. Weekly variance review cadence.

Deliverables: Four stores operating on common standards; variance reduction tracking.

Phase 4: Integration Playbook (Month 12+)

Codify standardization methodology for acquisition integration. Document playbook: Day 1 items, 30-day items, 90-day items, 6-month items.

Deliverables: Acquisition Integration Playbook; repeatable process for onboarding acquired locations.

Recommendation

Adopt operational standardization as organizational strategy. Execute Shared Campus as pilot. Codify methodology into acquisition integration playbook prior to additional acquisition activity.

The \$3.8M variance is quantifiable. Management development constraints, key person concentration, and integration capacity limitations compound it.

Two paths are available:

- **Maintain current model.** Inter-store variance continues as structural feature. Acquisitions introduce additional locations with distinct processes. Integration requirements accumulate.
- **Implement standardization.** Documented organizational processes. Reduced inter-store variance. Management development through rotation. Acquisitions integrate to established standard.

Implementation requires \$361K investment against \$3.8M directly calculated opportunity (or \$4.3M including secondary effects). At modeled parameters, simulation indicates positive returns across tested scenarios.

Risks and Limitations

Risk	Likelihood	Impact	Mitigant
GM resistance to reduced autonomy	High	High	Involve GMs in standard definition; frame as "best of all stores"
Standards don't fit all contexts	Medium	Medium	Build in local discretion; iterate based on feedback
Implementation takes longer	High	Medium	Phased approach; Shared Campus pilot surfaces issues early
Short-term performance dip	Medium	Medium	Communicate expectations; measure leading indicators
Execution fails to change behavior	Medium	High	Training investment; accountability tied to standards

Data Limitations

Analysis based on trailing twelve-month performance data. Lead funnel intermediate steps (appointments, shows) excluded due to data quality concerns. MPI conversion baseline not established. OEM program data unavailable. Internal benchmarking assumes processes demonstrated at one store are replicable at others with different customer bases.

Sources

NADA Slide Guide 2025 (Hours/RO benchmark). Foureyes 2025 Benchmark Study, 700+ dealerships (close rate). DAS Technology Lead Response Study 2025, 1,700 dealerships (response time). Indeed.com, Salary.com (WA State compensation). NCM Institute, DealerPRO (training costs and ROI). DealerRefresh community intelligence (AI tools). Harvard Business Review, McKinsey (M&A integration). Regional Auto Group Analysis workbooks, GP Recovery Implementation Plan (internal data).

Appendix A: Methodology

This appendix documents the analytical methodology used to quantify recovery opportunities and validate assumptions against industry benchmarks.

Fixed Operations Recovery Calculation

The primary diagnostic metric for Fixed Operations is Hours/RO (labor hours sold per repair order). This metric captures service advisor effectiveness: the ability to identify customer needs, present repair recommendations, and convert inspections into sold labor.

Why Store C is the Benchmark

Store C operates at 2.08 Hours/RO, which falls within the NADA Slide Guide 2025 benchmark range of 2.0–2.5 for retail service excluding quick lane operations. This makes Store C an internal proof point—demonstrating that benchmark-level performance is achievable within Regional Auto Group’s operating environment, customer base, and management structure. Using Store C rather than Store D (2.77 Hours/RO) as the target is deliberately conservative; Store D’s premium brand positioning and higher-complexity repairs may not fully transfer to Store A and Store B.

Recovery Calculation

Component	Store A	Store B	Formula	Result
Current Hours/RO	1.47	1.68		
Target Hours/RO	2.08	2.08	Store C benchmark	
Gap (hours)	0.61	0.40	Target – Current	
Annual RO Volume	9,352	12,684	TTM actuals	
Effective Labor Rate	\$163	\$169	Labor GP ÷ Hours	
Incremental Labor GP	\$930K	\$857K	Gap × ROs × ELR	
Net Recovery	\$930K	\$857K		\$1.79M

Note: The \$1.79M figure rounds to \$1.8M in summary tables. Secondary effects (ELR improvement, parts attachment) are modeled separately in Scenario B of the Monte Carlo analysis rather than embedded in the headline figure.

Variable Operations Recovery Calculation

The primary diagnostic metric for Variable Operations is close rate (leads converted to sales). This metric captures sales process effectiveness: lead response time, appointment setting, show rate, and closing ability.

Why 13% is the Target

The Foureyes 2025 Benchmark Study (700+ US dealerships) documents 12.4% as the qualified lead close rate. Store A (11.6%) and Store B (11.7%) already operate near this level, demonstrating that 12–13% is achievable within Regional Auto Group’s market. The 13% target represents a modest stretch beyond industry average—appropriate given that standardization should produce above-average results.

Trailing three-month performance at Store C following process changes shows 9.5% close rate, indicating that the gap to 13% reflects achievable process improvement rather than structural market constraints. The recovery model conservatively uses TTM baseline (7.1%) rather than recent run-rate.

Recovery Calculation

Component	Store C	Store D	Store A	Store B	Formula	
Current Close Rate	7.1%	10.7%	11.6%	11.7%		
Target Close Rate	13%	13%	13%	13%	Benchmark + stretch	
Gap (pts)	5.9	2.3	1.4	1.3	Target – Current	
Annual Leads	8,843	6,298	9,687	11,635	TTM actuals	
Incremental Units	522	145	136	151	Leads × Gap	
PVR	\$1,648	\$2,752	\$2,587	\$2,532	TTM actuals	
Recovery	\$860K	\$399K	\$352K	\$382K	Units × PVR	\$2.0M

Note: The \$1.99M figure rounds to \$2.0M in summary tables. Secondary effects (PVR improvement, F&I attachment on incremental units) are modeled separately in Scenario B of the Monte Carlo analysis. Store C's PVR of \$1,648 is lowest on campus; if process improvement brings PVR to campus average of \$2,380, this would add ~\$380K to the opportunity. This upside is captured in Scenario B parameters.

Appendix B: Monte Carlo Simulation

The Monte Carlo simulation models uncertainty in key variables to produce probability-weighted outcomes. This appendix documents parameter selection rationale and sensitivity analysis.

Scenario A: Conservative (Primary)

Based on directly calculated variance of \$3.8M

Simulation Parameters Capture rate ranges reflect planning estimates informed by industry experience. No single-source benchmark exists for dealership-specific capture rates

Parameter	Min	Mode	Max	Rationale
Fixed Ops Capture	40%	60%	85%	Training programs typically achieve 50-70% of identified opportunity. 85% max reflects best-case sustained execution.
Variable Ops Capture	35%	55%	75%	Sales process changes harder to implement than service training. Lower floor, lower ceiling.
Cost Variance	-10%	0%	+25%	Implementation costs typically overrun. Asymmetric distribution reflects this reality.
Time to Value (mo)	6	9	18	Behavior change takes time. 6 months is aggressive; 18 months reflects resistance/turnover.
Fixed Ops GP Opp	\$1.5M	\$1.8M	\$2.0M	±15% variance on base opportunity to reflect volume/rate uncertainty.
Variable Ops GP Opp	\$1.7M	\$2.0M	\$2.3M	±15% variance on base opportunity to reflect market conditions.

Secondary Effects Scenario (for reference) uses \$1.7M–\$1.9M–\$2.2M for Fixed Ops and \$2.1M–\$2.4M–\$2.8M for Variable Ops. See Appendix B for full dual-scenario analysis.

Scenario B: With Secondary Effects (Reference)

Based on \$4.3M opportunity including ELR improvement, parts attachment, PVR improvement, and F&I penetration on incremental units

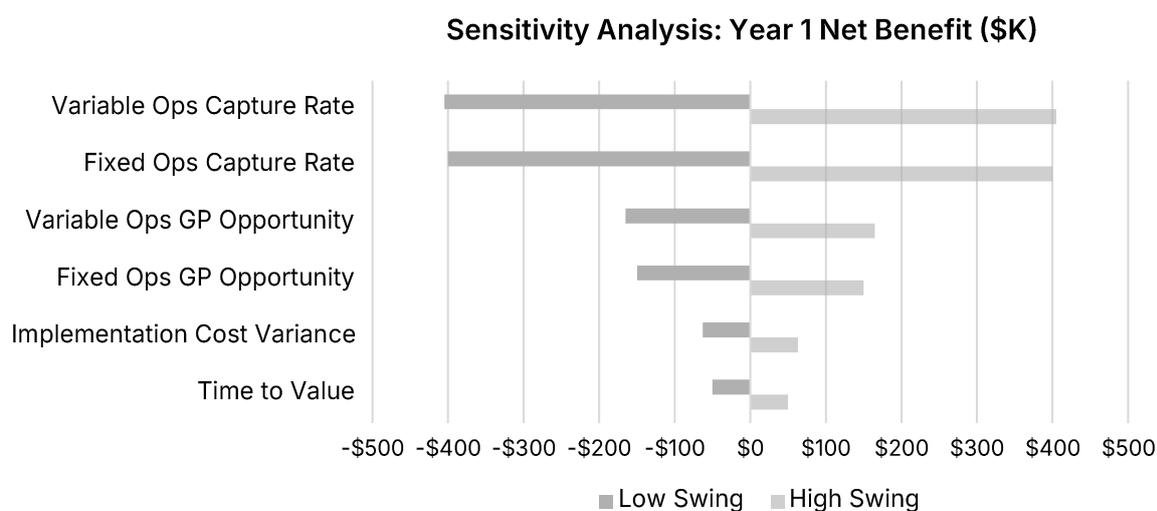
Parameter	Min	Mode	Max	Rationale
Fixed Ops Capture	40%	60%	85%	Training programs typically achieve 50-70% of identified opportunity. 85% max reflects best-case sustained execution.
Variable Ops Capture	35%	55%	75%	Sales process changes harder to implement than service training. Lower floor, lower ceiling.
Cost Variance	-10%	0%	+25%	Implementation costs typically overrun. Asymmetric distribution reflects this reality.
Time to Value (mo)	6	9	18	Behavior change takes time. 6 months is aggressive; 18 months reflects resistance/turnover.
Fixed Ops GP Opp	\$1.7M	\$1.9M	\$2.2M	±15% variance on base opportunity to reflect volume/rate uncertainty.
Variable Ops GP Opp	\$2.1M	\$2.4M	\$2.8M	±15% variance on base opportunity to reflect market conditions.

Distribution Choice: Triangular

Triangular distributions were selected because (1) they require only three intuitive parameters (min, mode, max), (2) they allow asymmetric distributions where appropriate (cost variance), and (3) they are standard practice in operational modeling where historical data is limited. All parameters were independently estimated, then validated for reasonableness by cross-checking implied outcomes.

Sensitivity Analysis (Tornado)

Sensitivity analysis identifies which parameters have the greatest impact on outcomes. The tornado chart shows Year 1 Net Benefit swing for each parameter moved independently from P10 to P90.



Parameter	Low Case	High Case	Swing
Variable Ops Capture Rate	\$1.46M	\$2.27M	\$810K
Fixed Ops Capture Rate	\$1.42M	\$2.22M	\$800K
Variable Ops GP Opportunity	\$1.65M	\$1.98M	\$330K
Fixed Ops GP Opportunity	\$1.64M	\$1.94M	\$300K
Implementation Cost Variance	\$1.73M	\$1.86M	\$126K
Time to Value	\$2.08M	\$2.18M	\$100K

Implication: Fixed and Variable Ops capture rates have roughly equal impact on outcomes (~\$800K swing each). Both service advisor training and sales process standardization are critical success factors. The implementation budget appropriately allocates resources to both areas.

Probability Thresholds

Outcome	Probability
Positive Year 1 Net Benefit	100.0%
Year 1 Net Benefit > \$1.0M	100.0%
Year 1 Net Benefit > \$1.5M	89.4%
Year 1 Net Benefit > \$2.0M	22.0%
Year 1 Net Benefit > \$2.5M	2.0%
Year 1 ROI > 200%	100.0%
Year 1 ROI > 400%	85.1%
3-Year NPV > \$3.0M	91.2%
3-Year NPV > \$4.0M	28.0%

The 100% probability of positive returns reflects the substantial margin between implementation cost (\$361K) and even pessimistic recovery scenarios. Break-even requires only 9.5% combined capture rate—far below even P10 assumptions.

Appendix C: Implementation Cost Detail

This appendix provides detailed calculations for each implementation cost line item, including compensation assumptions and source documentation.

Compensation Assumptions

Role	Base Comp	Burden Rate	Loaded Comp	Source
Service Advisor	\$79,633	1.30×	\$103,523	Indeed.com WA
Service Advisor + Comm	\$94,333	1.30×	\$122,633	Indeed.com WA
Store Manager	\$120,005	1.30×	\$156,007	Salary.com WA
Senior Management	\$150,000	1.30×	\$195,000	Estimated
Salesperson	\$65,000	1.30×	\$84,500	Industry avg

Burden rate of 1.30× reflects employer payroll taxes (~7.65%), health insurance (~\$6-8K/year), workers comp, unemployment insurance, and allocated overhead. This is a standard industry multiplier for fully-loaded labor cost.

Fixed Operations Cost Build-Up

Line Item	Calculation	Amount
External training	6 advisors × \$2,500/advisor (NCM/DealerPRO rate)	\$15,000
Internal training opp cost	6 advisors × 40 hrs × \$59/hr loaded	\$14,077
GM oversight (20%)	\$195K × 20% × 12 months	\$39,000
Store manager time (10%)	4 managers × \$156K × 10% × 12 months	\$62,400
Process documentation	60 hours × \$150/hr (internal + consultant)	\$9,000
Productivity dip	6 advisors × \$122K × 15% × (60/250 days)	\$64,800
Technology investment	VinSolutions service module configuration	\$25,000
Fixed Ops Subtotal		\$229,277

Variable Operations Cost Build-Up

Line Item	Calculation	Amount
Process documentation	80 hours × \$150/hr (internal + consultant)	\$12,000
CRM configuration	VinSolutions Professional Services	\$25,000
KPI dashboard	Configuration and training	\$20,000
AI tool (Year 1)	\$2,500/mo × 12 months	\$30,000
Sales manager training	4 managers × 24 hrs × \$188/hr loaded	\$18,000
Curriculum development	Internal time + materials	\$10,000
Salesperson training opp cost	20 salespeople × 20 hrs × \$42/hr	\$16,800
Variable Ops Subtotal		\$131,800

Total Implementation: \$361,077

Appendix D: Research Sources

This appendix provides full citations and key data points extracted from each source.

Industry Benchmarks**NADA Slide Guide 2025**

<https://slideguide.nada.org/NADASlideGuide.pdf>

Key data: Hours/RO benchmark 2.0-2.5 (excluding quick lane). Tech Proficiency 125%. Tech Productivity 87.5%. Fixed Absorption Guide 60%. Total Absorption 100%. Parts-to-Labor Ratio 1:1.

Foureyes 2025 Benchmark Study

<https://foureyes.io/>

Key data: 700+ US dealerships surveyed. Qualified lead close rate: 12.4%. Phone lead appointment set rate: 74%. Internet lead appointment set rate: 40%. 60% of sales close within 3 days. 46.7% of qualified leads mishandled.

DAS Technology Lead Response Study 2025

<https://dastechnology.com/>

Key data: 1,700 dealerships surveyed Q3-Q4 2024. 61% respond within 15 minutes (up from 55% in 2023). 19% take more than 1 hour. 74% omit price quotes. 91% omit payment details. 90% omit multiple photos.

Lead Response Research

Spyne Automotive Research 2025

<https://www.spyne.ai/>

Key data: Ideal response time under 5 minutes. 7x more likely to connect if respond within 5 minutes. 78% of customers buy from first responder.

Giosg Lead Response Research

<https://www.giosg.com/>

Key data: 100x more likely to convert if respond within 5 minutes vs. more than 5 minutes. 13% of dealers respond within 5 minutes to web forms. Industry average response time: 12-24 hours.

Training ROI Research

DealerPRO Training ROI Study

<https://dealerprotraining.com/how-to-maximize-your-dealerships-roi/>

Key data: Vendor-reported training outcomes; not used in primary analysis. Referenced for context only.

NCM Institute GMEP Program

<https://www.ncminstitute.com/>

Key data: Executive training program approximately \$9,750 annual tuition. Multi-rooftop annual subscription available for scalable training access.

Compensation Data

Indeed.com — Service Advisor Salaries, Washington State

<https://www.indeed.com/career/service-advisor/salaries/WA>

Key data: Service Advisor average base: \$79,633. Average commission: \$14,700. Total compensation: \$94,333.

Salary.com — Automotive Service Manager, Washington State

<https://www.salary.com/research/salary/posting/automotive-service-manager-salary/wa>

Key data: Service Manager average: \$120,005.

AI Tool Research

DealerRefresh Forums — AI Tool Discussions

<https://forum.dealerrefresh.com/>

Key data: Hammer AI described as "used by very sharp dealers," "eager to tune for your needs," sub-5 second response time. Impel characterized as "super generic, takes so much labor" to customize. Vinessa described as "basically just sends basic emails/texts," "not actually AI by modern definition," "no sales we could attribute to Vinessa."

M&A Integration Research

Harvard Business Review — The New M&A Playbook

<https://hbr.org/2011/03/the-big-idea-the-new-ma-playbook>

Key data: 70-90% of acquisitions fail to deliver expected value. Integration failures are the primary cause.

McKinsey & Company — M&A Integration

<https://www.mckinsey.com/capabilities/m-and-a/our-insights>

Key data: 42% of due diligence fails to provide adequate integration roadmap. First 100 days critical to integration success.

Internal Data Sources

Regional Auto Group Analysis Workbooks (22 files)

Trailing twelve-month Fixed and Variable Operations performance data by store. Includes: RO counts, Labor GP, Parts GP, Hours/RO, Labor \$/RO, ELR, unit sales, PVR, close rates, lead volumes.

Regional Auto Group Operational Diligence Memo (January 2026)

Original \$800K recovery analysis. Expense forensics, 7 σ denominator problem identification, scenario modeling. Shared Campus scope.