

Dowdy's Automotive Service

Q3 2022 Town Hall Meetings

October 2022



Honesty, Integrity, Trust
Boise, Meridian, Ontario

Agenda:

- Financial Update
- Communications
- 2023 Outlook
- Human Resources
- Fun Committee
- Question / Answer

Dowdy's Automotive 2022 Financial Performance



Futurecast – 2022 Performance Goals

• <u>Revenues:</u>	<u>2021</u>	<u>2022 Stretch</u>	<u>2022 YTD (9/30)</u>
• South Meridian:	\$820,000	\$ 875,000	\$ 833,707.33
• North Meridian:	\$922,500	\$1,000,000	\$ 827,491.57
• Federal Way:	\$922,500	\$1,100,000	\$ 811,601.17
• Ontario:	\$512,500	\$ 675,000	\$ 569,302.66
• Downtown:	\$461,250	\$ 585,000	\$ 506,966.42
• Tune Tech	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$ 520,710.82</u>
• Total Forecast:	\$3,638,750	\$5,235,000 44% growth	\$4,069,779.97
• GP Target 55%:	\$2,001,313	\$2,879,250	\$2,338,830.23 (57.47%)
• Expenses Target 43%:	<u>\$1,564,663*</u>	<u>\$2,251,050*</u>	<u>\$1,703,359.92</u> (41.85%)
• Net Income Target 12%:	\$ 436,650	\$ 628,200	\$ 635,470.31 (15.61%)

* Including allocated corporate office administrative expenses

Dowdy's Must Do Financial Standards

Sales	100%
Cost of Goods Sold	<u>45%</u> parts, sublet, tech comp
Gross Profit	55% quickbooks basis / 60% on ShopWare
General and Administrative Exp	<u>43%</u> rent, tax, benefits, phone, etc
Net Income	12%*

Store Profile:

- Neighborhood, not Super Stores - \$500,000-\$1,200,000 in sales.
- We don't run "super stores" (e.g. \$2mm in sales or up...Garry's, Christian Brothers).
- Focus on low operating expense – no giant real estate expense (e.g. Christian Brothers).
- Low expense takes pressure off team and customers... pressure leads to bad decisions.
- Small team at the store level – 4-8 team members... manageable/supportive/ close knit.
- Key is locate close to where customers live/work. Service Fast, Service Right.

* Including allocated corporate office administrative expenses

Quarter 3 - 2021 vs 2022

	2021	2022
Sales	1,068,155.56	1,641,623.96
Cost of Goods Sold	481,706.82	710,252.33
Gross Profit	586,448.74	931,371.63
Gross Profit Percentage	54.90%	56.73%
General and		
Administrative Exp	483,896.49	641,318.16
Net Income	102,552.25	290,053.47
Net Income as % of Sales	9.60%	17.67%

WAY TO GO TEAM!!!

Top Revenue Stores – Q3 2022

Top Revenues Q3 2022

South Meridian	\$333,521.81
Federal Way	\$318,393.90
North Meridian	\$308,549.59
Tune Tech (DT2)	\$278,640.94
Ontario	\$203,135.63
Downtown	\$199,382.09

Net Income Leaders as %

Ontario	23.55%
Federal Way	19.93%
South Meridian	18.08%
Downtown	17.51%
North Meridian	15.95%
Tune Tech (DT2)	12.32%

Top GP % Q3 2022

Ontario	61.96%
Downtown	61.22%
Federal Way	58.38%
North Meridian	56.95%
South Meridian	54.42%
Tune Tech (DT2)	50.37%

Dowdy's Automotive 2022 Team Communication



Team Communication

Quarterly Town Hall Meetings – Next ones in January

Electronic Communication

Company Intranet

Regular Progress Reports on Key Metrics

Dowdy's Automotive 2022 2023 Outlook



Front End Team Training

The Institute for Automotive Business Excellence

- Training Via Zoom x2 Times Per Month
 - 1 Meeting for Advisor Teams (Includes all participating locations)
 - 1 Meeting for Managing Advisor Teams (Includes all participating locations)
- Gameification-based training practices for engagement and accountability.
 - Points based training to foster friendly competition and to make training fun.
- Individual 1-on-1 Coaching Sessions in addition to the twice monthly live training available to our company every month.
- In-person and onsite training
 - Frequency TBD.

Front End Team Training

Training also includes:

- Access to a private community space on the Gearhead's network app. Enrolled students can discuss ideas and share experience through our private social app that can be downloaded directly onto your phone.
- Access to a performance analytics dashboard that includes:
 - Training resources
 - RO auditing capabilities
 - Daily reporting via email notification
 - Employee management tools
 - Shop comparison tools
 - Plugs directly into your shop management system and pulls data directly from your operation

Implementation TBD but expected early 2023.

Shop Monkey

- Replaces Shop-Ware meant to address certain shortcomings found after Shop-Ware was implemented.
- All six stores to be converted by beginning of 2023 with the two downtown stores to pilot the program first and the rest to follow soon thereafter.
- Has many of the features we like in Shop-Ware.
 - Online parts ordering
 - Digital Video Inspections (DVI)
 - Ability to communicate easily with the customer via text and/or email
 - Effective and efficient daily scheduling.

Shop Monkey

- Adds other features we're currently lacking
 - Accommodation for fleet customers that's currently missing in Shop-Ware.
 - Better inventory/parts receiving management
 - Improved reliability.
 - Payment terminal is connected to Shop Monkey so payments are automatically entered.
 - No more forgetting to add payment after getting paid by your customers!
 - Can also pay online (contactless) through Shop Monkey once job is completed.
- Improved backend features that will permit Regina to be more effective at her job and for us to get paid by those fleet customers that owe us money.
 - Integrates directly with QuickBooks.
 - Allows us to invoice fleet customers directly through Shop Monkey

Dowdy's Automotive 2022 Human Resources



Human Resources

Team:

Before requesting time off, be sure to check BambooHR and make sure you have the time available. If you're not sure how to see your balance through the end of the year, check with Kim.

Managers:

Before approving time off, be sure to check BambooHR to be sure the employee has the time available.

Just a reminder, with our new time off policy, you can carry over up to 5 days of vacation and 6 days of sick time from one year to the next. This way, there's no rush to get all your time off scheduled so you don't lose it.

Dowdy's Automotive 2022 Fun Committee



FUN Committee

Life is Short - Let's Have a Little Fun!

Upcoming FUN events:

Saturday, November 19, 2022 - Noon

Shooting event for staff at Idaho Sporting Clays in Homedale (employees only)
Time is to be determined, likely around noon-ish

Saturday, January 14, 2023 – 6:00 pm

Holiday Party at an Idaho Steelheads game
Suite is reserved! Kim will start getting RSVPs in early December (adults only)

FUN Committee

Life is Short - Let's Have a Little Fun!

2023 FUN EVENTS PLANNED

January – Hockey (Employees + Guest)

March – Fastlane (Employees only)

June – 2nd Annual Rib Fest (Employees + Family)

September – Paella Cooking Class (Employees + Guest)

November – Sporting Clays (Employees only)

Questions and Comments