



Auto Repair Shop Estimating & Labor Rate Optimization Checklist Template 2026

Labor Rate Market Analysis

Reviewing local competitor pricing, -analyzing regional market trends, and ensuring current shop rates align with service quality and overhead costs.

Analysis Date

Competitor Name

Competitor Hourly Labor Rate (\$)

Competitor Service Level

- ☐ Economy/Budget
- ☐ Mid-Range/Independent
- ☐ Premium/Dealership

Market Gap Observations

Write something...

Manager Approval

Cost of Operations Audit

Evaluating fixed and variable overhead costs, including rent, utilities, insurance, and technician wages, to determine the true break-even point.

Total Monthly Fixed Costs

Enter a number...

Total Monthly Variable Costs

Enter a number...

Overhead Expense Categories Reviewed

- ☐ Rent/Mortgage
- ☐ Utilities
- ☐ Insurance & Licensing
- ☐ Payroll & Benefits
- ☐ Equipment Leases
- ☐ Marketing & Advertising

Cost Reduction Opportunities

Write something...

Audit Completion Date

Enter date...

Auditor Signature

Estimating Accuracy & Consistency

Auditing the precision of labor time estimates, parts markup consistency, and the standardized use of industry-standard labor guides (e.g., Mitchell, AllData).

Labor Guide Software Used

- ☐ AllData
- ☐ Mitchell 1
- ☐ Identifix
- ☐ Other

Average Labor Rate Variance (%)

Enter a number...

Common Estimation Errors Found

- ☐ Incorrect Labor Time Selection
- ☐ Missing Shop Supplies Fee
- ☐ Underestimated Parts Lead Time
- ☐ Incorrect Vehicle Trim/Engine Specs

Notes on Discrepancies Found

Write something...

Audit Completion Date

Enter date...

Service Manager Approval

Parts Margin & Procurement Review

Analyzing parts markup percentages, vendor delivery speed impacts on labor efficiency, and identifying opportunities for bulk purchasing savings.

Average Parts Markup Percentage

Enter a number...

Primary Parts Vendor

- ☐ Local Warehouse
- ☐ Online Distributor
- ☐ Direct Manufacturer

Frequent Procurement Issues

- ☐ Late Deliveries
- ☐ Incorrect Parts Sent
- ☐ Inaccurate Pricing
- ☐ Damaged Goods on Arrival

Procurement Cost Reduction Strategies

Write something...

Recent Vendor Invoice Samples

 Upload File

Technician Proficiency & Efficiency Tracking

Measuring actual vs. billed hours, identifying productivity gaps, and assessing how technician skill levels impact profitable repair outcomes.

Audit Date

Enter date...

Technician Name

Write something...

Total Billable Hours for Period

Enter a number...

Total Clocked Hours for Period

Enter a number...

Efficiency Percentage (%)

Enter a number...

Efficiency Rating

- ☐ Excellent (>100%)
- ☐ Target (90-100%)
- ☐ Needs Improvement (<90%)

Identified Productivity Barriers

- ☐ Parts Delays
- ☐ Tool/Equipment Issues
- ☐ Incomplete Work Orders
- ☐ Unclear Instructions

Training & Improvement Plan Notes

Write something...

Service Manager Approval

Service Advisor Upsell & Supplement Audit

Reviewing the effectiveness of Digital Vehicle Inspection (DVI) utilization in identifying additional necessary repairs and increasing Average Repair Order

(ARO).

DVI Utilization Rate

☐ High (80-100%)

☐ Medium (50-79%)

☐ Low (Below 50%)

Average Upsell Value per RO

Enter a number...

Identified Upsell Opportunities

☐ Tires/Alignment

☐ Brake Service

☐ Fluid Flushes

☐ Belts/Hoses

☐ Safety/Maintenance Items

Missed Opportunities Analysis

Write something...

Auditor Verification

Estimate Documentation & Compliance

Ensuring all estimates include necessary legal disclaimers, detailed line items, customer authorization signatures, and accurate part descriptions.

Estimate Creation Date

Enter date...

Vehicle VIN & License Plate Number

Write something...

Required Compliance Disclaimers Checked

☐ Customer Authorization Signature Obtained

☐ Parts Warranty Terms Disclosed

☐ Labor Rate Policy Acknowledged

☐ Hazardous Waste Disposal Notice Provided

Signed Customer Authorization Form

 Upload File

Service Advisor Verification

Profitability Reporting & KPIs

Reviewing key performance indicators such as Gross Profit per RO, Labor Gross Margin, and total monthly revenue targets for 2026.

Reporting Period End Date

Enter date...

Average Repair Order (ARO) Value

Enter a number...

Labor Gross Profit Margin (%)

Enter a number...

Total Monthly Revenue

Enter a number...

Primary Profitability Drivers Identified

- ☐ Increased Parts Markup
- ☐ Improved Technician Efficiency
- ☐ Higher Upsell Conversion
- ☐ Reduced Overhead Costs

Profitability Gap Analysis & Action Plan

Write something...

Manager Review Authorization

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✔ Finish

✎ Generate Sample Report