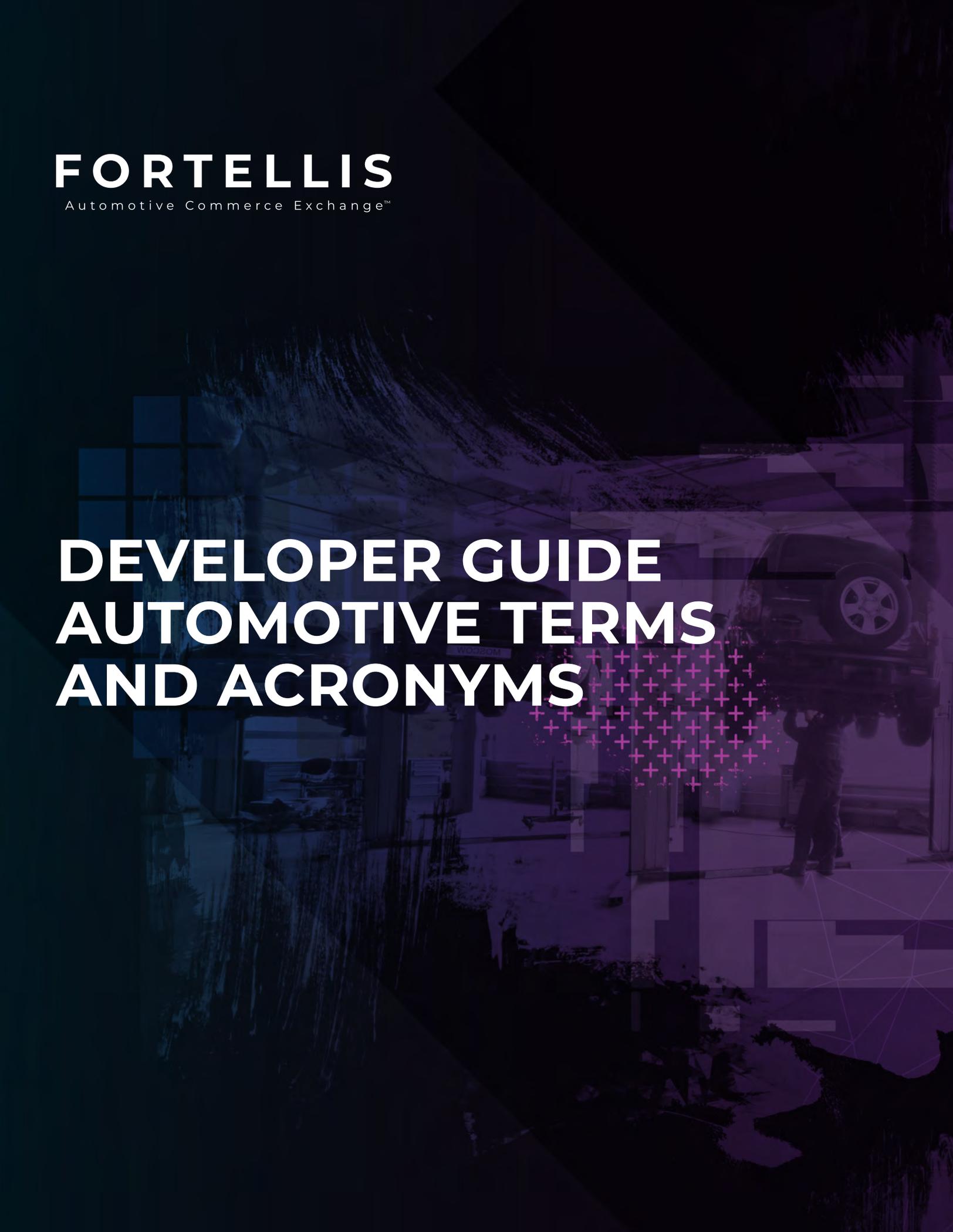


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Automotive Commerce Exchange™

DEVELOPER GUIDE AUTOMOTIVE TERMS AND ACRONYMS



+ Automotive Terms and Acronyms You Need to Know When Developing for Dealers and OEMs.

You just got a data extract, but you're finding strange new terms and fields that make little or no sense. As a developer, learning new terms is nothing new, but if you're new to automotive the list in this document may make life just a bit easier. Like many other industries, automotive has developed specific terms and acronyms over years of evolution. Knowing these terms and the meaning behind them can help you develop faster and far better tools to meet the needs of both dealers and OEMs.

A Automotive Terms

Acquisition Fee	A fee charged by the leasing company at the inception of the lease that is intended to cover a variety of administrative costs, such as obtaining a credit report, verifying insurance coverage, checking the accuracy and completeness of the lease documentation and entering the lease into its data and accounting systems. Also known as a bank fee, an administrative fee or an assignment fee.
Accident & Health	Refers to term insurance coverage which pays the monthly payments in the event the injured becomes disabled through a converted illness or injury and is unable to work. The period of disability must exceed the number of days specified by the policy for coverage —typically 7 or 14 days. Also called A&H.
Actual Cash Value	Refers to the actual wholesale value of a trade in vehicle. Also called ACV.
Actual Percentage Rate	Refers to the finance charge over a full year, expressed as a percentage and reflects all costs of the loan as required by the Truth in Lending Act. Also called APR here.
Add-On Rate	The relative cost of credit, expressed as a percentage based on an amount per one hundred dollars.
Aftermarket	A term for parts and accessories that are not from the original manufacturer.
Alignment Rack	A special hoist and machine combination used to straighten the vertical and horizontal direction of the front and rear wheels.
Appraisal	The act of evaluating and assigning the monetary value a dealership is willing to pay for a vehicle.
Asking price	The price for a vehicle asked by the dealer or other seller before any negotiations.
Automatic transmission	A transmission that uses a torque converter, planetary gearset and clutches or bands to automatically change a vehicles gears.
Available Hours	The total number of hours a Technician is present and available for work.

B

Back Counter	The Technician's counter in the Parts department.
Back Counter Person	Sells parts to the Service department by coordinating parts needs with Technicians.
Back End Profit	Profit on a car deal derived from F&I income, credit life income, A&H income, reserve income and extended warranty income.
Backorder	The process by which a parts department is willing to accept an order for unavailable parts with the intention of fulfilling it when the parts become available.
Balance Sheet	A report of the assets, liabilities and net worth of a dealership. Usually prepared on a manual system at the month end, although key items may be included in the DOC report. Perpetual report is kept on an automated system.
Base Price	The MSRP of a vehicle before options, destination fee, any dealer advertising fee and other costs.
Best Reorder Point	The point in which a stock order must be placed with a depot or supplier. Based on the relation of quantity of stock on hand.
Business Manager	Assists the General Manager in controlling cash, protects all dealership assets, determines the appropriate inventory levels and prepares financial statements. Also responsible for internal controls and providing management information to the decision maker.
Buy Rate	The interest rate, expressed as a percentage, at which the lending institution will buy the contract from the dealer.
Buyer's Guide	The sticker that contains the description of the vehicle's warranty as required by the FTC. Required on all vehicles for sale by a dealership.
Buyer's Order	A summary of what both parties have agreed to including buyers information, vehicle information and terms of sale. This document is converted to a formal purchase agreement.

C

Cap Reduction	Capital reduction. In a vehicle lease, this refers to any trade-in amount, cash down payment or rebate amount that reduces the cost of the vehicle being leased.
Carryover	A job that is not completed in one day.
Certified Pre-Owned Vehicle	A used vehicle offered for sale by a franchised dealer for a specific make. Dealer follows the manufacturer's requirements for certifying the vehicle (including inspection and service) and provides a manufacturer-backed warranty at the time of sale.
Charge Back	The dealer's portion of rebated interest, life insurance, A&H insurance and other contract-related charges as a result of early loan payoff by a consumer. Calculated using the Rules of 7s formula.
Clean Sale	No trade-in vehicle involved in the sale of a new vehicle.
Close	Act of completing a sale. The deal is signed, paid for and the consumer takes the keys to the vehicle.
Closed-End Lease	An agreement in which the lesser assumes financial responsibility for the difference between the depreciated value and the actual cash value of the vehicle at lease end. This involves a fixed term.
Closer	Responsible for obtaining more profit on the sale or assisting in closing a tough sale. Many times the closer works with the Sales Associate.
Co-Signer	Someone who signs a loan for additional security.
Commissions Voucher	Also called a Commission Slip. A document for a vehicle sale provided to the selling salesperson(s) showing all the of commission and sales. The Commission Voucher is the original record used for payroll, associate acknowledgement and sales history.
Core	Relates to a portion of the part that can be remanufactured. There is usually a deposit on this portion when a new part is ordered.
Credit Application	Document used to obtain credit for a vehicle purchase that outlines a consumer's financial history.
Credit Life Insurance	Term insurance coverage that pays off the amount owing on a contract in the event of the death of the borrower (Single Credit Life) or the death of a borrower or spouse (Joint Credit Life). Also called CL.

D

Days' Supply	Number of days a Parts Manager can continue to operate at a given level of service without a supply of parts on hand.
Deal	The transaction of buying a vehicle at the dealership.
Deal Folder	All sales forms are filed within this folder. Copies of additional documents required for the transactions — trade-in papers, registration forms, etc. — can also be filed in this folder until the vehicle is delivered. Also called a Deal Jacket.
Deal Jacket	A folder that contains all of the documents relating to the purchase and sale of a vehicle. Sometimes called a car jacket or vehicle jacket.
Deal Recap	F&I or Business Manager's earned commissions, gross profit, net profit, etc. for each deal. Typically printed and inserted into the deal jacket.
Deal Worksheet	A form used by the Associate to work a deal before presenting it to the Sales Manager. This form at minimum contains the agreed-upon price for the new car, any additional options and the trade-in allowance.
Dealer Cash Incentives	Amounts that are paid to dealers by manufacturers to stimulate vehicle sales by incentivizing the dealers to lower their prices to consumer. Typically paid or earned upon the dealers purchase of the vehicle from the manufacturer, upon the dealer's sale of the vehicle, or when specified sales volume targets are met.
Dealer Holdback	A percentage of either the MSRP or invoice price of a new vehicle (depending on the manufacturer) that is repaid to the dealer by the manufacturer after the vehicle is sold.
Dealer Trade	The process of trading one vehicle for another in order to get a vehicle for their customer that's on another dealer's lot.

D

Delivery Coordinator	Ensures and coordinates with Service department for the preparation of all sold vehicles prior to customer arrival. Demonstrates vehicles functions at time of delivery. Will often set up the first service appointment and survey customers after delivery.
Demo	A new car that has been driven by the dealership's salespeople, managers or executives but has never been registered with the state.
Desking a Deal	The process of presenting options to a customer during a vehicle sale in order to come to an agreement on the selling price, monthly payment and financing terms for the car purchase.
Detail Manager	Responsible for all labor related to the detail work on new vehicles.
Dispatcher	Maximizes workshop utilization, monitors timely completion of work in progress and assigns work to the Technicians in accordance to their ability.
Displacement	The volume of an engine's cylinders and the total air displaced by the pistons inside those cylinders. Example: A 2.8 liter engine displaces 2.8 cubic liters of air in one complete combustion cycle.
Documentary Fee	A nominal surcharge to cover the administrative costs to file the vehicle registration. Also called Doc Fee.
Down Payment	A cash payment credited against the purchase price of a vehicle, which reduces the amount to be financed. In a lease transaction, this amount is often referred to as the capital reduction.
Drivetrain	The system of components that generates power and transmits it to a vehicle's wheels. Also commonly called a transmission.

E

E85	A fuel consisting of gasoline or another hydrocarbon mixed with up to 85% denatured ethanol.
Economic Order Quantity	A formula that determines the most effective stocking level. This formula is based on sales history pattern and is a projected/forecasted sales pattern.
Emergency Purchase	Any part bought from anyone at anytime in any quantity where parts or all profit anticipated on the sales is lost because of indirect, non-recoverable expenses.
Excess Stock	A condition where the number of parts currently on the shelf of a Parts department is in excess of the required days' supply set.
Extended Warranty	A warranty that is offered by the manufacturer to extend the term of the standard new car warranty.

F

Finance Reserve	A commission earned by a dealer for handling the financing arrangements on behalf of the lender. For example, a finance deal might be written with the customer paying 12% interest for the vehicle. The bank might only charge 10.5% interest for this paper. The 1.5% difference is paid to the dealership on a quarterly basis.
Financial Statement	A financial report usually consisting of a balance sheet, income statement, departmental profit and loss, and departmental sales and gross profit analysis. Typically prepared by the Office Manager or the Business Manager.
Fixed Operations	Refers to the Parts, Service and Body Shop departments. Also referred to as back end, as these departments are typically located at the back end of the dealership building.
Flag Time	The time card that is used to record flat rate hours and actual time worked on repair orders.
Fleet Manager	Responsible for contacts and sales to fleet customers and commercial customers. Handles all related in-house calculations.
Flex Fuel Vehicle	A vehicle than can run on at least two different fuel sources either simultaneously through a single fuel system or separately through multiple fuel systems.
Floorplan	Refers to money borrowed by the dealership to finance vehicle inventory.
Front Counter Person	Sells parts directly to retail customers by determining which parts are needed for a consumer's repair needs.
Front End Profit	Profit made from a vehicle sale, not including finance revenue.
Fuel Economy	A measure of the amount of fuel used by a vehicle over a certain distance, or the distance traveled per volume of fuel used.

G

Gap Insurance	Insurance that covers any "gap" between (i) the amount the lessee's insurance company will pay to the lessee if the leased vehicle is stolen or destroyed, and (ii) the aggregate remaining amount the lessee owes at that time to the leasing company.
Gas Guzzler Tax	A graduated federal tax levied at the time of initial new-vehicle purchase on vehicles with especially poor fuel economy.
Gas Slip	If the dealership puts gas into the vehicle, the gas slip is generated. The cost of the gas is added to the cost of the vehicle.
General Ledger	Term used to encompass the financial activity of an establishment. In a manual environment this is updated at month end. In an automated environment, this is a perpetual record. Also referred to as a GL.
General Manager	Acts on the behalf of the Dealer Principal to operate the business. Directly supervises all Managers.
General Sales Manager	Coordinates department activities, Customer/Manufacturer related sales activities, advertising, personnel and vehicle inventory management for the entire department, and supports all department Managers. Also called a GSM.
Grey Market	Term used to describe the illegal business of supplying counterfeit auto parts or the illegal business of importing a car to the U.S. when the car was not designed to meet U.S. emission and safety standards.
Gross Profit	The calculation of sale less the cost of sale. Does not include selling expenses or any share of fixed expenses required to keep the building operating. Refers to the difference between the sale amount and the cost of the item.
Gross Vehicle Weight	The sum of a vehicle's curb weight, cargo weight capacity and passenger weight capacity. Also referred to as GVWR.
Gypsy Part	A simulated or look-alike non-manufacturer part. It is usually less expensive, does not carry a factory warranty and is supplied by the aftermarket or jobbers.

H

Heavy Line	Designation for a Technician whose primary skills involve major repair or rebuilding of large components (engines, transmissions, etc.)
Highball	A sales technique that begins with a high price for a trade in and switch to a lower price. Also known as a bait and switch.
House Deal	A type of car sale made by the dealership's management. In a house deal, the dealer pays no commission to a salesperson.
Hybrid Vehicle	A vehicle that combines the use of internal combustion and electricity as power sources.

I

Incentive	Any kind of financial assistance from a vehicle manufacturer that motivates customers to buy/lease a new vehicle by reducing either the net price or the cost of financing/leasing.
Income Statement	An accounting report showing total income and expenses. The departmental profit and loss statement contains breakdowns of these totals by department.
Initial Cap Cost	The negotiated selling price for a lease deal; not necessarily the same as the MSRP.
Invoice	The price that appears on the invoice that the manufacturer sends to the dealer when the dealer receives a vehicle from the factory. Also referred to as Invoice Price.

J

Jobber	An auto parts store that sells very active, fast moving, or specialty items. Usually operates in direct competition with the prime manufacturer.
Journal	A diary of accounting transactions entered from the dealership's source documents (invoices, checks, etc.). Dealerships generally use several journals to store a particular type of transaction. Journals are summarized in general ledgers.

K

Key Tag	A numbered tag used to cross-reference the vehicle and its keys.
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L

Labor Time Guide	Documents published by the manufacturer of the vehicle that define operation codes and flat rate times associated with a particular job.
Lead	information about a person who may be interested in buying a vehicle or having service work performed.
Lease End Value	A vehicle leasing company's assumption of what a vehicle will be worth at the end of the lease, which is used to determine the monthly lease payment. Also called LEV or Residual Value.
Lease Manager	In charge of completing paperwork to process the return of a vehicle to the lender from a lessee at lease end. Contacts customers in advance of the lease end in an effort to retain the customer for future lease opportunities.
Lemon	A vehicle that is found to have numerous or severe defects that were not apparent before its purchase. Various states have "lemon laws" that provide vehicle purchasers certain rights.
Lessee	The person or entity that leases a vehicle from a lessor.
Lessor	The entity that owns the vehicle being leased to the lessee. Although most leases are arranged by a dealership, in almost all cases the lessor is either a financial institution or a division of the vehicle manufacturer.
Light Line	A designation for the Technician who primarily does maintenance and small component replacements (tune-ups, starter replacements, etc.).
Loaner	A vehicle used as alternate transportation, usually in the Service department. These are often new vehicles that are reimbursed by the manufacturer for their depreciation while in service.
Low Ball	Quotation of high allowance or low net price to test the consumer reaction and find a more favorable middle area between what the consumer expects and what the Sales Associate can grant.

M

Make	Either the name of a vehicle's manufacturer or manufacturer's division. (Chevrolet is a make and a division of General Motors)
Manual Transmission	A transmission that uses a clutch and a shift (gear) selector to change gears.
Mechanical Breakdown Insurance	Insurance coverage that is limited by term and mileage that pays repair and related costs incurred by mechanical breakdown of the insured vehicle. Also called MBI.
Model	A specific vehicle brand identified by a name or number and which is usually further classified by trim or style level. (Chevrolet Camaro RS, Camaro is the Model name and RS is one of several trim levels available for the Camaro model).
Model Year	For a vehicle model, the calendar year designation assigned by the manufacturer to the annual version of that model. (example a 2020 Chevrolet Camaro RS was produced in the year 2020)
Money Factor	An auto leasing industry term for expressing the interest rate used to calculate the monthly lease payment. Also referred to as a "lease factor" or "lease fee."
Month End	This process is series of accounting procedures performed to summarize and "close" a month's accounting records and produce a financial statement.
Monthly Payment	The amount of principal and interest that must be paid each month under the terms of a finance or lease contract.
Monroney Sticker	Contains the description of the vehicle, equipment, options, and the manufacturer's suggested retail price. Refers to the Monroney Sticker Price Label Act of 1958, which required the manufacturer to adhere a sticker on the new vehicle listing, price, and options etc. to the vehicle prior to leaving the plant. Also called a window sticker.
Low Ball	Quotation of high allowance or low net price to test the consumer reaction and find a more favorable middle area between what the consumer expects and what the Sales Associate can grant.

N

Net Worth	The total liability subtracted from total assets. This should be a positive number and represent the original investment, prior year's earnings, and current year's profits.
New Vehicle Clerk	Handles all the paperwork and posting related to the sale of new vehicles.
New Vehicle Manager	Coordinates department activities, customer/manufacturer-related sales activities, advertising, personnel and vehicle inventory management for new vehicle portion of the dealership. Often responsible for approving the terms of a sale on behalf of the dealership. Also called New Car Manager.

O

Obsolescence	Generally defined as when a part has no sales posted in a twelve-month period. Can refer to the condition of a part when it does not produce a profit upon the sale of that part. Also refers to the condition of a part when it is no longer needed or cannot be used for a given application.
Odometer Statement	Federal law for all vehicle transactions now requires these forms. This form is also used to record miles at the end of a vehicle's lease when returned to the lender.
Office Manager	Runs the office and coordinates all office work. Also referred to as the bookkeeper
On Hand	Refers to the actual quantity of a particular part that is in inventory.
Open-End Lease	A lease in which the lessee assumes financial responsibility for the difference between the depreciated value and the proceeds of the vehicle sale at lease end.
Over Allowance	The difference between the trade allowance and the actual cash value.

P

Pack	An arbitrary amount added to the MSRP of a vehicle for the purpose of making more profit on the sale of a vehicle or to provide additional margin for the trade allowance or discount. Also referred to as additional dealer markup or additional dealer profit.
Paper	The financial industry's term for a loan agreement.
Parts Manager	Manages and operates the department at a profit by selling parts and controlling inventory.
Parts Runner	Performs errands for the department, including picking up and delivering parts.
Payload	A vehicle's carrying capacity (in pounds) of occupants and cargo. Equal to the vehicle's Gross Vehicle Weight Rating (GVWR) minus its curb weight.
Payoff	The amount that, at any specified time during the term of a vehicle lease or loan, is required to be paid in order to discharge the remaining obligation. Also called the buyout amount.
Payroll Clerk	Processes all paperwork and posting regarding employee wages.
Penetration	The relation of new car sales to average price-class potential in any stated market.
Posting Clerk	Handles all the postings of parts transactions.
Profit	The amount of money left over after all expenses have been met, including any and all taxes.
Profit and Loss Statement	A document that summarizes whether the dealership is making or losing money during a specific period of time. Also called a P&L.
Prospect	A customer who expressed interest in buying or servicing a vehicle within a defined time frame
Purchase Order	Used by all departments in the dealership as an official request for vendor to supply specific goods or services. Serve as an internal control mechanism to guard against unauthorized purchases in the dealership's name. Also called a P.O.

R

Ready Cost	The manufacturer's invoice amount, plus internal charges for retail preparation, undercoating, waxing, gas, local taxes and any other extra service or equipment. Sometimes used as a basis for Sales commissions instead of invoice costs.
Rebate	A cash payment offered as an incentive by the manufacturer to consumers. Usually applied by the consumer to reduce the net price of a vehicle.
Recall	A notice sent by a vehicle manufacturer to owners of a vehicle advising them that the vehicle has or may have a serious defect that could compromise the safety of the vehicle.
Reconditioning Manager	Responsible for all labor related to the detail work on used vehicles. Also called Recon Manager.
Residual Value	A vehicle leasing company's assumption of what a vehicle will be worth at the end of the lease. Used to determine the monthly lease payment.
Retained Earnings	The amount of the prior year's profits retained by a corporation.
Rollback	Recalculation of the contract to provide a specific desired monthly payment by adjusting elements such as cash price, trade allowance, cash down, interest rate, term or cost of MBI.

S

Salesperson	Responsible for contacting potential customers and getting a commitment to purchase a vehicle.
Security Deposit	A payment required at the inception of a vehicle lease. Provides the leasing company with collateral for the lessees promise to comply with the terms of the lease.
Service Administrator	Supervises all customer-related activities, warranty administration and factory recall campaigns.
Service Advisor	Acts as a liaison between service customers and the dealership. Also promotes the sale of labor and parts.
Service Drive	The area in the dealership where Service Advisors meets with customers to discuss what vehicle repairs are needed.
Service Manager	Manages and operates the Service department as a profit center while maintaining customer satisfaction at all times.
Shipping/Receiving Clerk	Coordinates incoming and outgoing shipments for the department. Also responsible for receiving parts into the inventory.
Shop Charges	The amount charged on repairs to cover administrative costs of the service department. For example, shop charges cover the cost of Tech uniforms, laundering of rags, etc.
Single-limit Insurance	An automotive insurance policy with a single combined dollar limit of coverage for property damage, liability coverage and bodily injury coverage.
Spiff	A cash incentive, contest entry or prize given by a dealership to salespersons as motivation to sell vehicles.
Split	When two salespeople end up helping the same customer buy a vehicle, sharing the commissions and credit for the sale.
Spot Delivery	An expedited sales process where the sale is agreed to and delivery of a vehicle commences immediately after. Also referred to as taking delivery on the spot.
Sticker Price	The Manufacturer's Suggested Retail Price as displayed on the vehicle's original window sticker. Also referred to as MSRP.
Subprime	A loan made to a borrower with a low credit rating that typically bears interest at a higher rate to compensate the lender for the greater risk. Also called Special Credit.
System Administrator	Responsible for all the computer systems in the dealership.

T

Technician	Performs vehicle maintenance and repair work in accordance with dealer and factory quality standards.
Test Technician	Assists Service Advisors in vehicle diagnosis, verifies quality and completion of work performed and determines and records additional repair requirements.
Title Application	A request for a vehicle title to be issued by the state's motor vehicle division in which the vehicle's owner resides. This form is filled out by the dealership and signed by the customer at time of delivery and submitted on behalf of the customer to the proper state authority.
Title Clerk	Responsible for posting and receiving all paperwork related to vehicle titles to the proper state agencies and sending titles to the vehicle owner or lender.
Torque	Part of the basic specification of an engine. The power output of an engine is expressed as its torque multiplied by its rotational speed of the axis, usually expressed in foot-pounds.
Traction Control System	A safety feature that regulates wheel spin and prevents loss of control under acceleration by ensuring maximum traction and contact between the tires and the road
Trade-in	A vehicle that is currently owned by the purchaser of a new or used vehicle from a dealer and is exchanged for the newly purchased vehicle to reduce its net price.
Turn/Gross	Refers to the ratio of the total cost of sales during the year to the dollar value of the inventory.
Turn/True	Refers to the portion of the gross turn which is attributable to sales from the dealership's own inventory, yielding the highest potential of gross and net profit.
Turnover	A technique practiced when a Sales Associate who cannot close an order introduces their prospect to another Sales Associate or manager for a further combined effort to close the deal. Also called a TO or Turn; sometimes referred to as a one-two.

U

Up	Refers to a consumer. They are assigned to Sales Associates covering the floor in a certain order.
Upside-down	When the amount owed on a vehicle is greater than the vehicle's actual cash value (ACV). Also called Negative Equity.
Used Vehicle Clerk	Processes all the paperwork and posting related to the sale of a Used Vehicle.
Used Vehicle Manager	Coordinates department activities, customer/manufacture-related sales activities, advertising, personnel and vehicle inventory management for the used vehicle portion of the department. Also called Used Car Manager.

V

Variable Operations	Refers to vehicle sales, finance and insurance, leasing and rental departments. These are all part of the front end or variable operations portion of a dealership.
Vehicle Type	The type of vehicle class, examples of which are large cars, midsize cars, minivans, pickup trucks, small cars, special purpose vehicles, sports utility vehicles, station wagons and vans.
Vehicle Washout	A record of all activity generated from the initial sale of a new or used vehicle. A vehicle is said to be washed out when the original and any subsequent trade ins have been sold. Used as a comparison tool in analyzing gross profit generated per vehicle sold.

W

Warranty Clerk	Responsible for administrating warranty claims with the manufacturer or warranty company and all related programs. Also called a Warranty Administrator.
Wheel Track	The distance measured across an axle from the center line of one tire tread to the center line of the opposite tire tread.
Wheelbase	The distance between the center of a vehicle's front axle and the center of its rear axle.
Wholesale Parts Salesperson	Contacts Parts buyers and gets commitment to have outside organizations purchase items from the dealership's inventory.
Wholesale Value	The price at which dealers purchase vehicles from other dealers or from lenders, usually at auction.
Work Order	A hard copy document containing customer complaints, estimates and the authorization signature.

+ Automotive Acronyms and Abbreviations

#

4WD	Four-Wheel Drive. Refers to a drivetrain that employs two differentials and a transfer case to provide power to all four wheels of a vehicle.
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A

ABS	Antilock Braking System. This senses wheel slippage when you hit the brake and adjusts the braking pressure to give optimal contact between your tires and the road. Some German automakers may call this ARS, or acceleration slip regulation.
ACC	Adaptive Cruise Control. This scans the area ahead of your vehicle when the cruise control is on and automatically throttles and brakes to maintain a safe distance from traffic in front of the vehicle.
ACV	Actual Cash Value. Refers to the cash value of the vehicle. Usually determined by an appraisal performed by a used car manager
ALG	Automotive Lease Guide. Refers to a private company that tracks the future value of vehicles for the purpose of calculating a lease
APR	Annual Percentage Rate. Refers to the cost of credit (i.e., the interest rate) expressed as a yearly rate.
AWD	All-Wheel Drive. Refers to a drivetrain that employs a front, rear and center differential to provide power to all four wheels of a vehicle.

B

BDC	Business Development Center. Handles any calls for the dealership, sets appointments for the sales and/or service staff and helps resolve customer problems.
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C

CAFE	Corporate Average Fuel Economy. Refers to an agreement between the United States government and automakers to increase fuel economy in their vehicles to 54.5 miles per gallon for cars and light-duty trucks by the year 2025.
CPO	Certified Pre-Owned Vehicle. Refers to a used vehicle offered for sale by a franchised dealer for that vehicle make and who follows the manufacturers requirements for "Certifying" the vehicle (including inspection and service) and which, upon sale, is accompanied by a manufacturer-backed warranty.
CRM	Customer Relationship Management
CUV	Crossover Utility Vehicles. Refers to a vehicle that combines SUV design features with the design features of a car
CVT	Continuously Variable Transmission. Refers to a transmission with a continuously variable drive ratio (as opposed to conventionally stepped gear ratios) that maintains a steady acceleration curve with no pauses for gear changes.

D

DFI	Direct Fuel Injection. Refers to a method where fuel is injected directly into the engine instead of mixing it with air before it reaches the intake valve passage.
DMS	Dealer Management System
DMV	Department of Motor Vehicles
DOT	The United States Department of Transportation
DRL	Daytime Running Lights. Refers to low energy lights that switch on automatically to increase visibility whenever the vehicle is in operation.

E

ESC	Electronic Stability Control
EV	Electronic Vehicle. Refers to a vehicle propelled by the use of batteries in place of a traditional combustion engine

F

FF	Front-Engine Front-Wheel Drive. Refers to a vehicle that is propelled solely by its front wheels and whose engine is located forward of its front axle.
FICO	Fair Isaac Corporation. Refers to the company that calculates and distributes consumer credit scores.
FR	Front-Engine Rear-Wheel Drive. Refers to a vehicle that is propelled solely by its rear wheels and whose engine is located forward of its front axle.
FWD	Front Wheel Drive. Refers to a vehicle where power from the engine is sent to the front wheels only.

G

GM	General Manager. Presides over all departments of a dealership.
GSM	General Sales Manager. Presides over all Sales departments at a dealership.
GVWR	Gross Vehicle Weight Rating. Refers to the sum of a vehicle's curb weight, cargo weight capacity and passenger weight capacity.

H

HP	Horsepower. Refers to the measure of an engine's work rate, or torque (twisting force) multiplied by speed (how fast it is spinning).
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I

IIHS	Insurance Institute for Highway Safety. This is a nonprofit, scientific and educational organization funded by auto manufacturers, dedicated to reducing injuries and deaths from automobile crashes.
ILEV	Inherently Low-Emission Vehicle. Refers to an emissions standard for alternative-fuel vehicles with closed and pressurized fuel systems.
ILM	Internet Lead Management System
IMS	Inventory Management System. Refers to an inventory feed from a DMS that allows for editing of descriptions, pricing, and photos for use in inventory listings.
ISO	International Standards Organization
ISV	Industry Service Vendor
IWFA	International Window Film Association

L

LDWS	Lane Departure Warning System. Refers to cameras and onboard sensors that warn when a vehicle is drifting out of marked lanes
LEV	Low Emission Vehicle. Refers to a vehicle that meets the average emissions standard within the LEV program.
LNG	Liquefied Natural Gas. Refers to a fuel source for vehicles.
LSD	Limited Slip Differential. If one wheel loses traction, a limited slip diff prevents all the power being transmitted to the spinning wheel, instead allocating a proportion of the power to the other driven wheels that have grip.
LWB	Long Wheelbase. Refers to a lengthened version of an existing vehicle chassis, often available as an option for luxury sedans and trucks

M

MPG	Miles Per Gallon. Refers to the fuel economy of an automobile. Measured through the distance traveled by a vehicle and the amount of fuel consumed.
MPGe	Refers to the Miles per Gallon comparison of the energy consumed by alternative fuel vehicles to that of traditional gas-powered vehicle
MSRP	Manufacturer Suggested Retail Price. Refers to the large price located on the bottom left of the sticker's pricing zone esincludes the base price of the vehicle, all options and destination charges. Also known as Sticker Price.

N

NADA	National Automobile Dealers Association. The combination of a vehicle's base price + options - miles driven is often referred to as NADA Value. There are three values, one for retail, one for wholesale and one for trade-in.
NHTSA	National Highway Traffic Safety Administration
NIADA	National Independent Automobile Dealers Association

O

OEM	Original Equipment Manufacturer. Refers to the company that originally manufactured the vehicle or vehicle part.
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P

PDI	Pre-Delivery Inspection. Refers to a part of the process of preparing a vehicle for display or delivery. Some manufacturers require proof the PDI has occurred and may compensate a dealer for the service. Also known as make ready, prep or get-ready.
PO	Parts Order. Refers to an invoice generated at the Parts counter for the purchase of a part or group of parts
PZEV	Partial Zero Emission Vehicle. Refers to a vehicle that has zero evaporative emissions and meets the EPA's SULEV standard.

R

RO	Repair Order. Refers to a document created when a vehicle is brought in for service that contains the work performed and related costs.
RPM	Revolutions per Minute.
RR	Rear-Engine Rear-Wheel Drive. Refers to a vehicle that is propelled solely by its rear wheels and whose engine is located behind its front axle.
RWD	Rear Wheel Drive. Refers to a vehicle propelled by power from the engine that is sent to the rear wheels only.

S

SEMA	Specialty Equipment Market Association
SMG	Sequential Manual Gearbox. Also referred to as DSG, direct shift gearbox and automated manual transmission.
SRP	Search Results Page. Refers to a list of vehicles on a website that displays after performing a search. Also called VLP or VRP.
SULEV	Super-Ultra Low Emission Vehicle. Refers to a vehicle that meets an emissions standard that is stricter than the ULEV standard.
SUV	Sport Utility Vehicle. Refers to a vehicle that combines elements of road-going passenger cars with features from off-road vehicles.

T

TCS	Traction Control System. Refers to a safety feature that regulates wheel spin and prevents loss of control under acceleration by ensuring maximum traction and contact between the tires and the road.
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U

ULEV	Ultra-Low Emission Vehicle Standard. Refers to an emissions standard within the LEV program, tighter than the LEV standard.
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V

VDP	Vehicle Description Page. Refers to a webpage for a single vehicle that lists all features, pricing, mileage and options..
VIN	Vehicle Identification Number. Refers to the unique code that is assigned to an individual vehicle by its manufacturer.
VLP	Vehicle Listing Page. Refers to a list of vehicles on a website. Also called VRP.
VRP	Vehicle Results Page. Refers to a list of vehicles on a website after filtering by results.

Z

ZEV	Zero Emission Vehicle. Refers to the most restrictive emissions standard.
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ABOUT FORTELLIS

The Fortellis Automotive Commerce Exchange is an open, flexible, industry-agnostic and data-driven platform in the cloud that allows secure and easy access to APIs, integrations, and applications within the automotive ecosystem. Fortellis is designed for automotive dealers, automotive manufacturers and independent software vendors who want to connect, collaborate and innovative in new ways to improve auto retail operations and customer experiences in the automotive industry.

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