



## Financial Management Objective Homework

**Student Class #** Matthew McLaughlin **Name:** 36 **Academy**

*I plan to accomplish the following objective our next class on:* Sept 25<sup>th</sup>. **by**

**Provide the relevant composite data**

Department	Month	Page	Column
Used Truck Inventory	2	1	

<b>Action plan for achieving objective</b>
<b>What is the area of focus?</b>
Used Truck Sales
<p><b>What is the proposed plan? How will you achieve it? Our used truck inventory is higher than guide recommends. We need to reduce our used truck inventory. In order to not shock the system, we will make this change gradually over a period of months. We have between 70-100 used trucks at most times. We should stock between 30-60 used trucks at a time. We will reduce our inventory by only purchasing 2 used trucks for every 3 used trucks that are sold.</b></p> <p><b>We will also concentrate on purchasing cleaner trucks that are quicker to get to "frontline ready." Purchasing trucks that take longer to recondition causes our inventory to swell because it reduces the number of trucks that are ready in proportion to the total inventory.</b></p> <p><b>A secondary goal will be to purchase a higher percentage of trucks that we can retail in the range of \$10,000 - \$25,000. These lower priced trucks tend to sell quicker and do not require the amount of reconditioning that a customer would demand if he was purchasing a \$50,000 - \$80,000 truck.</b></p>

<b>How will you track your progress? What measurements, KPI's? How often will you track?</b>
I will track the number of used trucks in inventory as well as the used inventory dollars. I will also look at the days supply of used trucks and the number of trucks that the dealership is selling each month. We will also track how long it takes each truck to get "front line ready."
<b>Who are the employees that will be involved, or impacted? Will they require training or assistance?</b>
The two buyers, Myself and John, as well as the owner Rick, and the sales manager Cris.
<b>Is there a cost, or estimated cost for implementation?</b>
The estimated cost is opportunity cost or lost sales cost if we are not stocking what customers are demanding or searching for.
<b>Projected date of completion? August 2017</b>

<b>Jan.</b>	<b>Feb.</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>
<b>July</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>