



Financial Management Objective Homework

**Student
Class #**

Robert Farnsworth

Name:

012PA G

Academy

***I plan to accomplish the following objective
our next class on:***

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by

Increase profit and volumn of used cars

Objective:

Used car department

Department:

Action plan for achieving objective					
Jan.	Feb.	March	April	May	June
July	Aug.	Sept.	Oct.	Nov.	Dec.
<p>Price cars closer to the expected transaction price of the market. High day supply cars will be priced in the lowest 3 cars in the market. Low day supply cars will be priced at a rational price to move quickly. Reduce the amount of negotiating during the sales process. Utilize supporting documents to support the sales price. KBB fair purchase price, Real Deal and Vauto Market data.</p>					
<p>This will be achieved by pricing cars more aggressively in the first 30 days.</p>					
<p>How will you track your progress? What measurements, KPI's? How often will you track? Pricing will be reviewed daily to make sure we are on "the market" with all used cars. We will review gross profit at the end of each week to ensure our gross profit is meeting expectations. Goal is \$500 front end PVR. Currently we are at 200 per unit. Pricing cars to the market earlier will also reduce the number of units that are going to w/s when they reach 60 days old. Wholesale losses will also be tracked monthly as they should go down based on fewer cars getting wholesaled.</p>					
<p>Who are the employees that will be involved, or impacted? Will they require training or assistance?</p>					
<p>The sales consultants and sales management team are involved. It will require training to make sure everyone is explaining the used car pricing process the same and building value in the price listed for the car.</p>					
<p>Is there a cost, or estimated cost for implementation? No cost to implement. Just training.</p>					
<p>The overall project will generate more gross profit on new transactions and reduce losses on wholesale transactions</p>					
<p>Projected date of completion? Pricing strategy will be in place by the end of April and reviewed at the end of each month.</p>					

