



## Financial Management Objective Homework

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**Name:** 324 **Academy**

*I plan to accomplish the following objective* 5/15/17 *by our next class on:*

**Provide the relevant composite data**

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Action plan for achieving objective
<b>What is the area of focus?</b>
<b>What is the proposed plan? How will you achieve it?</b>
<b>How will you track your progress? What measurements, KPI's? How often will you track?</b>
<b>Who are the employees that will be involved, or impacted? Will they require training or assistance?</b>
<b>Is there a cost, or estimated cost for implementation?</b>
<b>Projected date of completion?</b>

Jan.	Feb.	March	April	May	June
July	Aug.	Sept.	Oct.	Nov.	Dec.

1) **What is the area of focus?**

Accountability / Gross Profit retention

2) **What is the proposed plan? How will you achieve it?**

I have created a spreadsheet to track monthly (once financials are finished), Sales and Gross Profit numbers compared to the forecast presented by each manager. It will compare the individual month as well as their YTD forecast obtainment. Also, through Kahoot training, I plan on bringing each manager up to speed on what the NADA guidelines are, concerning gross profit retention, for their individual departments.

These will be reviewed and discussed monthly, holding each individual Manager accountable for his numbers. They will be required to come up with a detailed plan on how they plan on reaching those numbers and when we should expect the turnaround to happen. They will be provided an updated side-by-side report monthly so trends can be tracked and discussed.

3) **How will you track your progress? What measurements, KPI's? How often will you track?**

As mentioned above, progress will be discussed extensively during the first meeting of the month after financial statements are completed. There will, however, be added focus throughout the month to ensure the Managers are truly watching their numbers daily (at the minimum).

Nada guidelines will be used as the key measurements, utilizing the composite from our 20 Group for the "real world" numbers. I don't think the NADA guidelines are effective unless we can show that somebody else is accomplishing these. The composite should be a "slap in the face" to many members of our Management staff! Focus will be placed on gross profit percentage standards for each category as well as operating profit as a percentage of gross.

Progress will be tracked monthly at the minimum but members of upper Management have pledged to increase the amount of daily discussion into these areas with each Manager they are responsible for.

4) **How are the employees that will be involved or impacted? Will they require training or assistance? Is there a cost, or estimated cost for implementation?**

All employees should feel the impact because it will require focus from every single one of them to correct the short-comings we are experiencing. Naturally, the Management staff will feel the largest impact because the numbers will be right there in their face, not to mention the pressure from upper Management.

A good amount of training and assistance will be required simply because many of them will be exposed to numbers, formulas, guidelines, etc... that they have never seen before. It will be the job of upper Management to maintain not only the focus needed to achieve the goal but also to combat the stress and negativity that will certainly follow.

The only cost involved which I can see is increased time and effort from every employee of the dealership. People are going to have to completely commit to improving these numbers or it simply won't happen. This is where your phrase of "Make your people better or get better people" comes into play.

5) **Projected date of completion?**

We will begin the serious "turning up the heat" when March financials are passed out. This is the type of project where there never will be a completion date because it will have to be an on-going process to maintain the positive results we are looking for.