

## FINANCIAL MANAGEMENT HOMEWORK – ACTION PLAN

S Specific   
 M Measurable   
 A Achievable   
 R Relevant   
 T Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?  
 Example: "I will decrease my 5K run time from 30 minutes to 21 minutes by June 15, 2020."

**S M T**

Increase Parts Inventory<sup>Turns</sup> buy at least 1 buy the end of 2024, Ultimately get to guide numbers

How does this goal align with or support your dealer's vision?  
 What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?  
 Why is this goal important to you?

**R**

Benefits

- Have the right parts on the shelf when needed.
- Improved CASH Flow.
- Gain back storage space
- Bonuses, financial benefits for some.
- Higher Turns
- Increased Sales, financial benefits for Sales Staff
- Healthy Bottom Line.

Consequences

- Upset Management
- Poor Fill Rates, Upset Customers
- Excess inventory to manage
- Cash Tied Up



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How will you track your progress? Where will you find the information? How often will you check in?

**S M A T**

(Increase Parts Inventory turns by 1 by the end of 2024.)  
Using the financial statement and by calculating turns using the data in our guide. To be checked monthly.

Potential Obstacles?

**A**

- Some of the data is flawed, (Branch Transfer process)
- Lead times for some parts are long. We buy more than we need to.
- Slowdown in business
- Lost Sales due to price

Potential Solutions?

**A**

- Work with the accounting team to correct this and other branch
- Work with vendors to get a more timely delivery
- Right Size inventory for the volume
- Work with OEM for better buy price.
  - Look at sales price structure

**BOTTOM LINE!** What is the financial impact (expressed in dollars) of achieving your goal?

**S M R T**

200,000 per month or a monthly sales target of 1,091,000  
increase.

will put the turns to 6 or an inventory reduction of \$27,918 to turn @ 6

**CONGRATULATIONS!** You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

**S A**

- Return special order parts not needed. Enforce return policy.
- Keep on top of Cores that need to go back.
- Adjust Stock controls, keep adjusting regularly for the desired results