



Financial Management Objective Homework

**Student
Class #**

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Name:

324

Academy

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

Regulate policy
adjustments & raise
labor rates.

by

**Provide the relevant
composite data**

Department	Month	Page	Column
Service	March	30, 34	30: 2,6 34: 7

Action plan for achieving objective
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What is the area of focus? The areas that I am going to focus on are regulating policy adjustment, raise customer pay labor rate, raise internal labor rate to match door rate, and have employees held accountable for their actions.

What is the proposed plan? How will you achieve it? By raising the customer pay labor rate and the internal labor rate, gross will be greater in both areas and customer pay effective labor rate will go up.
Regulating policy adjustments like discounts and writing off labor or parts on repair orders will help retain gross and make the cost of sale go down. On the 3rd of April the customer labor rate was increased from \$115.00 to \$120.00 per hour and the internal labor rate was increased from \$99.00 to \$120.00 per hour. Every day the previous days closed out repair orders are gone through to find any mistakes on parts or labor, unauthorized discounts, and or items that have been written off or costed out without a manager's approval.

How will you track your progress? What measurements, KPI's? How often will you track? These changes will be tracked using the NADA 20 group composite, the financial statement, and monthly production sheets that are updated weekly to show any variances between the forecast that was set by the manager.
Tracking the additional gross being generated by the raised labor rates will be done monthly with the financial statement and the 20 Group composite. Repair orders are reviewed daily and any unauthorized policy adjustments will be brought up to the service advisors that same day. Copies are made of these mistakes made by the service advisor and are put in their employee file.

Who are the employees that will be involved, or impacted? Will they require training or assistance?

The employees that will be involved with the changes are the service manager, assistant manager, parts manager, service advisors, and technicians. There will be no major training required for these changes, just refreshing on the company's current policies and procedures.

Is there a cost, or estimated cost for implementation? There will be no major additional cost, if at all any for these changes.

Projected date of completion? Both the customer pay labor rate and the internal labor rate went into effect as of April 3rd. The service writers were given a two week grace period to tighten up their practices and as of April 17th there would be consequences for their actions and mistakes.

Jan.	Feb.	March	April	May	June
CP gross: \$139,477 Internal gross: \$5,772	CP gross: \$149,200 Internal gross: \$5,490	CP gross: \$164,605 Internal gross: \$6,227	CP gross: \$159,032 Internal gross: \$6,120	Numbers for April may change, the month is not closed yet.	
July	Aug.	Sept.	Oct.	Nov.	Dec.