



Financial Management Objective Homework

**Student
Class #**

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Name:

325

Academy

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

Lower Excess Used Vehicle Inventory
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by

**Provide the relevant
composite data**

Department	Mont h	Page	Colum n
Used Dept.	Mar.	7	6a

Action plan for achieving objective
What is the area of focus?
The focus will be on not only turning the vehicles faster and cutting down on excess inventory but to
Also reduce the average days in inventory of each used vehicle
What is the proposed plan? How will you achieve it?
We have purchased a market pricing tool (Vauto) to ensure correct price to market to maximize SRP/VDP activity. This will lead to more leads being generated and hopefully selling more cars to
Improve turn. By also correctly appraising vehicles by market activity we can make sure that everyone is using the same process to appraise the vehicles. This will lead to owning vehicles at the correct number and not making the pre-owned department have to have vehicles that they own for too much right off the bat.
How will you track your progress? What measurements, KPI's? How often will you track?
Progress will be tracked weekly by calculating days supply and average days in inventory.
We will be using Vauto reporting to calculate. The frozen assets in Page 7 line 6a will not be correct for just our BMW store. It calculates for 3 of our stores. I will be manually tracking just our stores information.
Who are the employees that will be involved, or impacted? Will they require training or assistance?
Norm Dexter - Pre-owned Manager - Having formal training on Vauto Wednesday 05/10/17.

We will be training and meeting at least weekly to track progress.
Is there a cost, or estimated cost for implementation?
Vauto cost \$2000.00. However, we deleted the appraisal tool in Vinsolutions \$400.00 and Autotrader gave us a \$500 break. So, net cost \$1100.00
Projected date of completion? Ongoing task. Try to have frozen assets at 0 by 01/01/2018.

Also try to have average days in inventory at 60 or less by the same date.

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