



Financial Management Objective Homework

Student Class # Brian Buehler #15 **Name:** N325 **Academy**

I plan to accomplish the following objective our next class on: 6/12/17 **by**

Provide the relevant composite data

| Department | Month | Page | Column |
|------------|-------|------|--------|
| F & I | April | 27 | 12B |

Key Performance Indicators and Metrics:

- Overall (new & used) Income per Vehicle pg27, 12B
- New Income per Vehicle
- Used Income per Vehicle
- Service Contract Penetration
- GAP Contract Penetration
- New Finance Reserve per Vehicle
- Used Finance Reserve per Vehicle
- F&I Gross per contract (are we priced right?)
- TST Penetration (internal tracking)

| Action plan for achieving objective |
|--|
| <p>What is the area of focus?</p> <p>Overall, F&I dollar per car average (new & used combined) with a goal of \$700 per retail unit. Currently, as of APR 17 YTD, we are at \$429 per unit with is the lowest in the Honda group, below Honda BOC, and second from the bottom in the entire N325 class. The goal of \$700 per unit is the benchmark set by our dealership</p> |

group. Other benchmark goals to achieve the overall F&I number are:
 Service Contract Penetration = 45% and TST Penetration = 35%

What is the proposed plan? How will you achieve it?

The plan is to drive this metric through awareness (tracking metrics daily/weekly/monthly), by providing necessary training to salespeople and F&I consultants, by holding all managers accountable to the process in place, and by soliciting feedback and suggestions from classmates.

We will achieve this goal by requiring “finance T/O’s” on every deal regardless of payment method or car type (new or used). We will track this daily - reviewing it weekly with managers and holding sales accountable through payplan qualifiers. We will evaluate all tools currently and proposed for use (menu pricing tools, etc). We will reinforce and support monthly progress with recognition tools and incentives for the F&I team.

How will you track your progress? What measurements, KPI’s? How often will you track?

Daily - track finance T/O’s by person, track the F&I reserve per vehicle on the clipboard. Weekly and Monthly - set and track goals for VSA penetration, GAP penetration, and TST penetration. Additionally, we will use end of month metrics to review with the Sales/F&I Management teams.

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

Salespeople, F&I Consultants, and Sales Managers are involved. Salespeople will require training on planting seeds about products. Sales managers will require training on conducting finance T/O’s for times when the F&I consultants are with clients or otherwise unavailable

Is there a cost, or estimated cost for implementation?

Currently, this plan is focused on process implementation and accountability first. Through the course of this project, we may determine the necessity and value of implementing additional software to provide a more thorough and complete presentation at the time of delivery.

Projected date of completion? Goal for \$700 per car is October 2017

| | | | | | |
|-------------|-------------|--------------|--------------------------------|-------------|-------------|
| Jan. | Feb. | March | April \$429 per unit | May | June |
| July | Aug. | Sept. | Oct. | Nov. | Dec. |