



Financial Management Action Plan Homework

Homework is due the Monday of the week before you return for Parts Class

Student Name: Courtney Langheim

Academy Class #: NADA 347

Composite Data Reference: Depart Pre-Owned Vehicle Page: 21 Column: 7 Line: 1

GOAL WRITING

Example: I decrease my 5K run time from 30 minutes to 21 minutes by June 15, 2019.

What is your Goal? I will increase the average monthly pre-owned sales from? 66 to? 80 by?
December 2019 (this is something that will be monitored each month to see the trend)

How do you plan to achieve your goal:

We plan to achieve this goal by selling the vehicles that were previously wholesale pieces. Last year, we wholesaled 392 vehicles and earned a gross profit of \$54,657. We won't be able to retail all 392 vehicles, but even if we could retail 200-250, that would increase our pre-owned sales. We recently added a second chance finance department, so we will now have more vehicles to sell. This goal will be achieved with the help of all departments, specifically the pre-owned and service departments. The service department will play a large role in this goal because we need to ensure these vehicles will pass the safety tests. However, there will be many vehicles that will require a lot of work, so we will not be able to retail them. Therefore, it will be crucial for the technician to go through each vehicle thoroughly before the pre-owned manager makes the decision whether or not to retail that specific vehicle.

How will you track your progress? What measurements, KPI's? (think about current vs past measures)

We will track our progress by looking at the number of pre-owned sales per month. More specifically, we will see how many pre-owned vehicles were sold that would have been previously wholesaled.

The benefits of achieving this goal will be:

The benefit of achieving this goal is an increase in pre-owned vehicle sales, and we will be able to gain new customers. Not only will the pre-owned vehicle department benefit, but the service and parts departments business will too. These departments are needed to repair and ensure the safety of these vehicles. We won't need to overpay for these vehicles at auctions. This goal will benefit the entire dealership because all departments play a role.

Take Action!

Potential Obstacles

Finding a technician to work only on these vehicles
Some of these vehicles will not pass safety inspections
The pre-owned manager could become uncertain and want to start wholesaling again
We won't profit as much on these vehicles

Potential Solutions

Service manager is actively looking
We will have to wholesale them b/c we can't sell to our customers if they aren't safe
This can be on a trial basis; we will have these vehicles on a separate list and we can keep track if customers have problems
We will still make a profit and the more vehicle we are able to sell, the better the dealership as a whole works, it more of a volume thing

Who on you staff will need to be involved to accomplish this goal:

Dealer, General Manager, Pre-Owned Manager, Service Manager, and Parts Manager

Specific Action Steps: *What steps need to be taken to get you to your goal?*

What?	Expected Completion	Completed
<u>Pre-Owned Manager and Service Manager onboard with the plan</u>	<u>January 1, 2019</u>	<u>January 1, 2019</u>
<u>Cancel Wholesale Bidders</u>	<u>January 7, 2019</u>	<u>January 7, 2019</u>
<u>Hire a technician to work on these vehicles</u>	<u>February 1, 2019</u>	<u>Not Completed yet</u>
<u>Run Second Chance Finance Ads to let people know we have these vehicles</u>	<u>Each month</u>	<u>Each month</u>
<u>Weekly meetings with all managers to discuss progress</u>	<u>Every Monday</u>	<u>Every Monday</u>
<u>Keep a monthly log and at the end of the year determine the average MTD pre-owned sales</u>	<u>Each month</u>	<u>Each month</u>