



## **Financial Management Action Plan Homework**

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

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**Academy Class #:** NADA 347

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### **GOAL WRITING**

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

**What is your Goal?** Decrease/eliminate excess parts inventory by February 1, 2020.

**from?** \$290,000 **to?** \$145,000 **by?** February 1, 2020

#### **How do you plan to achieve your goal:**

- 1.) Make sure return reserve is being used for excess inventory and not CSO (customer special orders).
- 2.) Utilize OE Connection's (cost - %) feature.
- 3.) Donate to a local automotive school/write off parts at the end of the year.

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

- 1.) Use CDK's "at a glance" inventory snapshot tool. It will show excess parts inventory, as well as break it down by; > 6 months, > 12 months, > 36 months...etc.
- 2.) Looking at the financial statement to see the overall decrease in excess parts inventory.

#### **The benefits of achieving this goal will be:**

- 1.) The most important benefit is unfreezing the frozen capital. Which in turn will allow the money to be used elsewhere in the dealership.
- 2.) It will free up room for new parts to be located. (more beneficial to some stores than others due to space issues)

**Take Action!**

**Potential Obstacles**

**Potential Solutions**

1.) Time it takes to locate parts in cost -% bin at once.

Don't have to do it all

for OE Connection.

2.) Parts manager not wanting to use return reserve return reserve is to

Implement a policy that

for only old parts, instead wants to use it for parts on returnable excess stock

be used exclusively

ordered by mistake.

3.) Non-returnable parts Connection, other forms of

Utilize eBay, OE

selling

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

Fixed Ops Director, Parts Manager, Office Manager

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

**What?**

**Expected Completion**

**Completed**

Identify returnable parts

3/1/19

Identify non-returnable parts

3/1/19

Set up bins to locate non-returnable parts

3/15/19

Transmit bin list to OE Connection for cost -% locator

3/15/19

Record results monthly to track progress

now