



Financial Management Action Plan Homework

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

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Composite Data Reference: Depart: Pre-owned (inventory). **Page:** 6 **Column:** 8 **Line:** B

GOAL WRITING

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

What is your Goal? To decrease month's supply of pre-owned vehicle inventory in order to increase pre-owned inventory turns. from? 2.31 to? 1.74 (25% decrease). by? July 1st 2019 (beginning of 3rd quarter).

How do you plan to achieve your goal:

I plan on decreasing the reconditioning turn from 13-16 days to 7-9 days.

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

Predictive index. I will track the progress by using the percentage of completion.

The benefits of achieving this goal will be:

The benefits of achieving this goal will be moving preowned units quicker and will help us reach our year end goal of 1200 units in the preowned department. Increasing the Pre-Owned Vehicle Inventory Turns is instrumental in reaching this goal. Another large scale benefit of achieving this goal is decreasing the amount of floor plan.

Take Action!

Potential Obstacles

Only three "techs" assigned to Pre-Owned.

Potential Solutions

Spread the work to tier 2 techs in order to utilize the entirety of the shop.

To many individuals focused on achieving this goal. Designate one individual as the point person.

Getting inventory manager to focus on more local buying. Provide spiffs for aggressive local buying.

Natural for individuals involved to get “complicate.” Hold daily meeting with the GM to go over progress.

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

- GM
- SERVICE DIRECTOR
- PRE-OWNED MANAGER AND INVENTORY MANAGER
- CFO

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

1. Hold a store meeting to discuss problems and game plan solutions with all involved parties. This is completed.
2. Assign a “Point Person” to oversee the process. This is crucial because all the involved parties have many other duties with in the store as well. The involved parties will naturally become complicate, “involved but not really involved.” We assigned the Inventory Manager as the point person.
3. Service director oversees dispatching to ensure that it is being done correctly. Instead of giving technicians multiple R.O. they now have to come to the dispatcher for the next R.O. Completed.
4. The Service director is now utilizing the entirety of the shop for reconditioning instead of having a handful of techs assigned to the task.
5. Implement daily morning meeting with all involved parties to go over aging R.Os. There is nothing good about aging R.O. This is also completed.