



Financial Management Objective Homework

Student **Name:** **Academy**
Class #

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

Provide the relevant composite data

Department	Month	Page	Column
Parts	April	41	6

Action plan for achieving objective	
What is the area of focus?	The Area of focus is Internal Parts Return on Sales, This is one area in our parts department that we are performing well below NADA guide of 41% Return on Sales
What is the proposed plan? How will you achieve it?	The proposed plan is to increase the retention of Parts gross on internal tickets by determining if the short comings are a direct result of a pricing issue or are resulting from discounting on the ticket sale. This will require working with both the fixed ops director and parts manager to insure that our DMS is configured properly and that internal RO's are being sold/billed correctly; We will keep of log of discount that are given and review weekly.
How will you track your progress? What measurements, KPI's? How often will you track?	Progress can we tracked monthly thru the percentage of retained gross on our Internal Parts Sales. A log of all discounts given to the New and Used Car departments can help to measure the frequency of discounts give to each department on a monthly basis. Also checking and adjustments to the Parts pricing matrix for internal parts must be inspected monthly to insure no changes

have occurred and that we are bill Internal Parts at the correct sale amounts. Costing issue will also be important to insure proper markup is being achieved this occurs semiannually to insure adjustment are made to the inventory.

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

Employees that this will effect will be Fixed Op Director, Parts Manager, Parts Counter Employee, New Car Manager, Used Car Manager and Used Car Techs (whom sell the internal RO's). Training on the importance of verifying this information (Pricing and Cost) and the limitation of discounts will be important to help improve the retention of gross on Internal Parts being sold.

Is there a cost, or estimated cost for implementation?

There is no dollars in cost for implementation of this, only time and efforts of employees to follow the process of verifying the information and tracking the discounts.

Projected date of completion?

We will/should be able to see an immediate impact on our July Financial statement once all corrections have been made; resulting in an increase of both Internal Parts dollars and % of retained gross. We will have to monitor that going forward that we maintain at guide or better in Return on Sales in Internal Parts.

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