# Financial Management Objective Homework

**Student Class #**   Rony Mansour   **Name:**   324   **Academy**

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

**Provide the relevant composite data**

| Department | Month | Page | Column |
|---|---|---|---|
| Service | | | |

| Action plan for achieving objective |
|---|
| **What is the area of focus?** To improve the effective labor rate in service |
| |
| **What is the proposed plan? How will you achieve it?** <br> Based on current service metrics, we found an opportunity to improve the effective labor rate by slightly increasing the door rate. As of June 1st, we raised the current rate from $185.00 per hour to $195.00 per hour. Since all pricing received by customers is charged out by the job**,** |
| this small increase should net some gains, provided the service advisors do not discount the |
| increase. We currently run at 94.5% effective labor rate, equaling $178.83 elr. Based on this |
| percentage we should achieve an elr of $184.23. |
| **How will you track your progress? What measurements, KPI's? How often will you track?** |
| We use a tool called Axcessa which on a daily basis provides this metric and many others. I plan to |
| Meet with my GM weekly to track the progress of this new focus. |
| **Who are the employees that will be involved, or impacted? Will they require training or assistance?** |
| I will meet with my GM, Service Manager and Service Advisors to review the increase, track the |
| Progress on a weekly basis. I plan to review the Axcessa data with all parties. The impact that will be felt should be on the lookout for a drop in customer R/O |

| count as we increase customer pay door rate.  This will tell us what the market will bare. |
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| **Is there a cost, or estimated cost for implementation?** |
| This is a service we pay for on a monthly basis.  It has been in the dealership for months, therefore there is no additional expense, and no cost for implementation. |
| **Projected date of completion? This will be an ongoing focus.**  We will track weekly, monthly and yearly. |

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