



## Financial Management Objective Homework

**Student  
Class #**

Hannah Shuster
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**Name:**

325
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**Academy**

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

August 7, 2017
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**by**

**Provide the relevant  
composite data**

Department	Month	Page	Column
Business office	April	5	2

<b>Action plan for achieving objective</b>
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<b>What is the area of focus?</b>
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<p>The productivity of the Business office- I wanted to choose an area of focus that I have control over. In regards to the composite it is difficult to track the activities of the business office because it is the only non-profitable department in a dealership. However, the business office may not make profit but it helps to keep the profit and also displays our dealerships position in a timely and effective manner. Therefore my plan is centered on keeping profit, and getting to a three day close.</p>
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<b>What is the proposed plan? How will you achieve it?</b>
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<ol style="list-style-type: none"> <li>1. Contracts in transit- Currently our finance assistant in the business office is responsible for packaging deals and sending contracts to the bank. She communicates to the finance department if there are any steps needed for the approvals and if there is anything missing the deals for compliance (such as signatures, missing documents, down payments, etc). I'd like to transfer the accountability back to the finance managers. I feel they rely so heavily on her they let go of some of what they are and should be responsible for. In the payroll she is designated as a clerical expense, so I would like her to take her in to the business office as such. If higher accountability is transferred to finance managers I believe the contracts would get funded faster which means more cash in the bank and less on the road. The basis of my plan includes measuring effectiveness, training,</li> </ol>
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and accountability.

2. In relation to #1 the second part of my plan is getting to a three day close. We are closing by the 10<sup>th</sup>-12<sup>th</sup> of each month. This delays our ability to start working on the next month and keeps us backed up throughout most of the month. Currently in our office we are under-staffed, and are especially in need of contract clerks (currently have one). With our volume selling over 500 units a month this leaves myself and the controller posting deals. I plan to hire at least 2 more contract clerks and hopefully make the finance assistant another contract clerk. They will be trained to send contracts to the bank and to post them so then there will be more people that know how to do that task. The rest of the staff will receive additional training and cross training. With more contract clerks we will be finished posting timelier so the controller and I can start working on end of the month procedures instead of posting deals. I also plan to look at some processes we have currently implemented to see if there is any unnecessary activities we are doing. To do this I will utilize the assistance of our facilitator to compile a guide for each desk. Each desk in the office will have a reference guide of how to work their desk. If someone is off (vacation, sick, etc) another person will be able to pick up the guide and assist in their responsibilities. To create this guide, I and the facilitator will visit each desk throughout a week. We will revisit what each person's daily activities and responsibilities are and determine if what they are doing is effective, and determine if there is a better way of accomplishing their tasks. One example of what we are doing that I have found to be ineffective thus far is logging holdback receivables. Instead of manually logging them and possibly leaving room for error and taking up extra time we can utilize our dms system to create a report that will list them for us. The facilitator and I will also determine if we can distribute the work differently on the contract desk. For example, currently we have only one of the clerks responsible for submitting service contracts. One person submitting and keeping track of service contracts for the amount of penetration we have in our deals does not leave enough time for her to do other necessary obligations. Whereas if the other contract clerks split the work up they can all be held accountable, and the workload will be divided evenly, creating less animosity/tension amongst employees associated with their concerns about their workload in comparison to the others.

3. The third part of my plan is controlling the expenses. Our expenses on payroll will go up with the hiring of two new personnel in the office, but over-time expenses will go down as a result of having more people that work effectively. I also plan to look at our vendor list. I plan to familiarize myself better with each vendor and what we use them for. I will also examine the bills more closely to see if there are ones we are over paying, and then re-negotiate on contracts we have with them to see if there are areas we can spend less money on.

**How will you track your progress? What measurements, KPI's? How often will you track?**

I will track our progress weekly. With the first task of getting with the finance managers to re-train them on what needs to be included in a deal. Secondly I will begin to train the finance assistant to post contracts. We have been interviewing possible candidates for the contract clerk position. We have a goal of hiring them

before the end of June. We will work out the guides also in the second half of June to be completed in the 1<sup>st</sup> week of July. In that week the new contract clerks will also be trained to post contracts (other dealers may post to differently. A contract clerk coming from another store needs to learn our dealerships process). We will also need to manage the timeliness of the receipt of the necessary documents regarding payroll, bonuses, and other productivity from other departments to make sure we close on time. Waiting for this information from other departments holds us up in the process and if we continue without it we end up going back and making corrections. The way we will get this from them faster is by explaining the importance of holding correct information so they know where they stand and they can determine what they need to do to reach their objectives. The training will also include a more in depth knowledge of schedules. The contract clerks may know what account to post what, but there are human errors and they must learn how to acknowledge the error and the different instances of what to do when they encounter them when cleaning schedules. In the 1<sup>st</sup> to second week of July we will also ask of our payable clerk to review our vendor list and describe the purpose of each one. The Controller, GM, and I will review the list to determine areas that we are spending the most on. We will then contact the vendors (several in a day) to review our contracts (if we have them) and decipher which we can save money with. The true measurement of our progress is making sure we get to our three day close each month. And if we do not, recognizing what happened that prevented us from moving forwards. Those preventions will be scrutinized for the following process of the next month until we get to one that will be effective for us. We can also see if our spending is less by using the cash days supply calculation to see how much more cash available we had each month and what the variance, which for April was 137, in addition to calculating the contracts in transit days supply which in April was 4.23. We are in nada guide for both numbers but the true test of a business is not to succeed one, it is to succeed continuously then raise the bar and do better.

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

The finance managers, contract clerks, accounts payable clerk, controller, facilitator, and myself. The ones being trained will be the finance managers and contract clerks.

**Is there a cost, or estimated cost for implementation?**

The cost will be compensation for the two new office clerks we will hire. We found that we need to offer competitive pay plans in order to acquire a more talented staff. In the beginning the cost will be higher but the result will pay off later.

**Projected date of completion?**

By our next class session August 7<sup>th</sup>. The goal is for the month to be closed before I come to class! In short, we cannot get to a three day close if we are not properly staffed and properly trained. However, we do not want to be in a position where we are closing fast just for the sake of getting numbers in. We want to make sure that our process is accurate and timely all while reducing expenses and keeping gross.

<b>Jan.</b>	<b>Feb.</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>
<b>July</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>