



Financial Management Action Plan Homework

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

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Class #: NADA 350

Academy

Composite Data Reference: Depart: Variable Dept - **Page:** 28B - **Column:** 12 - **Line:** 3 & 4
for Month

What is your Goal? Decrease overall Selling Expenses from An Avg (first 3 months) of \$37,333 in the new car dept and \$47,087 in the Used Dept for a total of \$84,420 to \$78,000 by June 30th 19

How do you plan to achieve your goal:

Have monthly Meetings with owner and controller with a goal of reducing expenses.

Reviewing the Statements at the end of month with controller

Looking at our ROI on all venders and make decisions

Looking at inventory levels, turn time, Floorplan, Interest Credits, Dealer trades etc

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

Composite will be the best measurement for success

The monthly meetings will be for accountability and buy in from owner, myself, and other managers involved with **decisions**

The benefits of achieving this goal will be:

Reducing any and all expenses, not just the Variable Selling expenses will lead to a healthier and more efficient dealership. This will also assist in the overall absorption where we range between

86% - 94%, meaning less dependent on new cars, meaning more competitive and more flexible in how we run the dealership and play manufacture games (EBE, SFE, Pinnacle, Love Promise)

Take Action!

Potential Obstacles

Other Managers Adding Expenses per month

Having already trimmed the easy stuff in Nov/Dec, - ROI, - finding additional cuts may be harder than expected may not be popular

Not meeting up monthly and reviewing these, this plan - board and we will - could be forgotten about, or not put into action him

Potential Solutions

Any expense greater than \$500 needs to be signed off on by multiple managers

Mapping, planning and gauging making decisions that

Already have the owner on board and we will - be held accountable by him

Who on you staff will need to be involved to accomplish this goal: Owner, Myself, Used Car Manager, Controller

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

What?

Completed

Monthly Review and Expense Meetings March - Yes

Defcon 1 Ideas on how to reduce Expenses (ALL OF THEM) March 1 2019

Expected Completion

Monthly

Feb and

Yes

Implementation of ideas based on the prior months cuts The 1st of each month Feb &
March - Yes

April - May - June Meetings and cuts to come

I would have preferred to do this on the overall expenses vs just the selling expenses as that what I set up here at the dealership, where I am looking for 10k in overall expenses. I could not find a page on the composite that had all of variables selling, personnel, and semifixed expenses.