



Financial Management Action Plan Homework

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

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KC-11

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GOAL WRITING

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

What is your Goal? Increase Total Absorption Gradually to 100%
from? 82.96 to? 100% by? March 31, 2020

How do you plan to achieve your goal:

Continue to negotiate vendor pricing and focus on various expense reduction strategies. Simultaneously, our gross should grow due to-
a) holding price on used vehicles on front end b) Matrix based pricing in Parts
c) Service-labor pricing adjustments, w/service d) hiring more technicians in

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

- We will track vendor savings on a separate spreadsheet.
- Gross by Dept. is already carefully tracked monthly.
- Our CPA Consultant is tracking our service & parts pricing lifts.
- We track # of techs. The composite will show our improvements in Total

The benefits of achieving this goal will be: Absorption from 82.96% in April, 2019.
Stronger financial performance as New F&I will all flow to the bottom line. This should strengthen our balance sheet as well.

Take Action!

Potential Obstacles

Potential Solutions

1) Delays in Vendor Savings Negotiations

CEO & CFO push this through

2) Inconsistencies in Applying New Service & Parts Pricing

Numerous follow up visits from our Consultant

3) Delays in hiring new technicians

Work with Hiring Consultant, Upgrade facilities for Techns.

4) Delays in hiring new sales people

Get creative in hiring - i.e. worked with company that

was outsourcing call center to hire people they were letting go.

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

The entire Management Team.

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

What?

Fixed Coverage

Expected Completion

84%

Completed

8/30/19

88%

9/30/19

92%

12/31/19

100%

3/31/20

Refinance debt by 7-31-2019

Reduce advertising spend by 9-30-2019

Implement new email marketing campaign by 8-31-2019 in full

Hire 20 more online salespeople by 12-31-19