



Financial Management Action Plan Homework

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

Student Name: Blain Boudreau **Academy Class** **353**

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GOAL:

INCREASE Gross Profit Return on Sales/ Pre-Owned Department from 4.8% to 10% by 9/30/2019 (end of Q3)

How do you plan to achieve your goal?

- Increase retail sales volume by 13.4 per month
- Acquire Pre-Owned vehicles with history of success for retail inventory
- Acquire at no higher than **85%-90%** of market
- Price at **95%** of market to start (increase turn)
- Keep Used Car setup at or below historic average for INFINITI and Off Brand

How will you track your progress?

- Track off of Statement specific to department weekly. (sales/GP)
- Use the ROS Calculation and Inventory turn calculation for next 90 days
- Use V Auto to manage inbound purchase and trades to manage the 85%-90% Acquisition and 95% retail cost to market..**WATCH GROSS AVERAGE!!**
- Adhere to a strict 60 day turn on inventory.
- ELIMINATE CHARGEBACKS!
- Review at end of Month towards progress.

The benefits of achieving this goal will be:

- Department will see increased turn (currently at 4.16)
- \$288,000 in increased gross profit Used Dept only
- \$8000 in internal labor gross from setup/safeties
- \$32000 in F and I
- \$12000 in Service Fees
- GRAND TOTAL EXTRA GROSS..**\$340,000**

Take Action!

Potential Obstacles

Difficulty acquiring inventory departments

Used Car Manager focus

Potential Solutions

Hire outside buyers with goals parallel to the

Monitor daily

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

Bruce Mesa/Used Car Manager

Blain Boudreau/GM

Outside Buyer "Scott Dibble"

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

1. Solid and aggressive acquisition of units and solid management of the online merchandising of EVERY RETAIL unit daily. **DONE 7/6/2019**

Expected Completion: Immediately and ongoing

2. Use strategic marketing platforms like LOTLINX to service VDP's to low funnel clients
DONE 7/6/2019

Expected Completion: Immediately and ongoing

3. Hold the dept manager Bruce Mesa accountable for EACH purchase that does not meet the 85% cost to market.

Expected Completion: Immediately and ongoing

EOM RECAP MEETINGS//7/31 and 8/31/2019