Financial Management Action Plan Homework

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

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GOAL WRITING

What is your Goal? Reduce the expenses in Service and improve the Warranty and Customer Payable RO's, with the target of achieving 50% net of gross profit.

from? 35% net of Gross to 50% net of gross profit. **by?** July 2020

How do you plan to achieve your goal:

Review advertising strategy. Target customers who are still under warranty. Review personnel headcount and pay plans. Review the flow of service traffic throughout the day and week and adjust support personnel (service writeup/porters) schedules to support peak demand and reduce hours during non-peak times

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

Progress will be tracked by measuring customer pay, warranty, % of gross profit to sales, and % of net to gross.

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The benefits of achieving this goal will be:

Increasing sales, gross and net profit of the Service department. This will also directly impact Fixed

Aborption._____

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Take Action!

Potential Obstacles	Potential Solutions
Reducing compensation could impact customer service. actual traffic flow.	Adjust personnel hrs to support
Reluctance to change. creating the solution.	Ensure team is a part of

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

Service Director and Controller.

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

What?	Expected Completion	Completed
Meet with Service Director to review composite Data.	July 29, 2019	YES
Review employees pay and hours.	August 30	No
Compare compensation by employee to prior year.	August 30	No
Review Service Traffic by day and week. Compare to pr yr.	August 30.	No
Develop a marketing strategy to increase RO's.	August 30	No
Review findings and strategy with Service Personnel.	September 30	No