



Financial Management Objective Homework

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Name: 326 **Academy**

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

Reduce V/R Days Supply to 10 days by June 2017 (11.9 days @ March 2017) **by**

Provide the relevant composite data

Department	Month	Page	Column
Per Group 1 Monthly Operating report	March 2017	N/A	N/A

Management Operating Report
FOR: Atlantic Coast

\$'s i

2304 - World Toyota
 Actual [+/-(-) PY] [+/-(-) Bud]

ASSETS (AST)

VARIABLE OPS

Vehicle Receivables - CIT, Oth V/R:

01 V/R Total Days Supply

11.9	4.8	11.9
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Action plan for achieving objective
What is the area of focus? Improved asset management as it relates to timely collections of vehicle receivables (i.e. CIT, customer down payments, cash deals, credit union checks, dealer trades, wholesales).
What is the proposed plan? How will you achieve it? Plan is to ultimately reduce V/R Total Days Supply down below 8 days. Controllers earn a monthly bonus when V/R Total Days Supply is below 8 days. Current goal is

to reduce from 11.9 to 10 days with the final goal being under 8 days BY September 30, 2017.

In order to achieve this goal, the following steps will be taken by accounting personnel:

1. Controller will do a better job of initiating asset meetings by placing on department manager calendars in Outlook to go over aged items on the schedules.
2. Controller/Office Manager will send out emails to department managers on items aged greater than 5 days while reviewing schedules throughout the month. Controller will begin copying the Market Director when a third follow up is required.
3. Controller will continue to send out vehicles without titles report received from auctions showing units sold where title has not been sent to the auction.
4. Controller will spend more time with GM on teaching how to use Group 1 Home to review outstanding receivables on a daily basis and incorporate asset management in daily/weekly meetings with variable department managers.
5. Controller will teach department managers how to use ADP to run schedules throughout their workday vs. waiting for accounting to communicate aged items with them. Need to teach department managers to be more proactive in managing the assets of the dealership.
6. Finance Daily Deposit is to be prepared by the F&I Secretary (locked office on sales floor) vs. the Office Manager (upstairs in accounting office). The F&I Secretary will be able to quickly resolve instances where money has been receipted into the accounting system where the physical funds are still outstanding.
7. Title Clerks are to perform a weekly title check to ensure all titles have been received on vehicles traded-in and purchased. Goal is to identify title issues before vehicles are sold so that money is not tied up if a clear and free title cannot be easily obtained.
8. Hire a new tag/title clerk so that there is another individual in the office to follow up on title issues (i.e. call lienholders for any payoff issues). ***This was not primary reason for hiring another full time employee.***

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

Progress will be tracked based on the informally throughout the month while reviewing the schedules. The measurement that we will ultimately use will be the V/R Total Days Supply that is published each month end by the corporate office.

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

1. Controller - no training needed. Will need assistance from all levels of management and administrative staff.
2. Office Manager - no training needed. Hiring of additional title clerk will free her time up to follow up on wholesale vehicles and dealer trades.
3. General Manager - Will need refresher course on how to access receivables off of Group 1 Home website. Will also need a refresher on how to generate schedules.
4. F&I and Sales Managers -Will need refresher course on how to generate schedules.

5. F&I Secretary - needs to be trained on how to complete a deposit in ADP.

Is there a cost, or estimated cost for implementation?

No cost for implementation. The hiring of the tag & title clerk was not dependent on meeting this goal; however, the additional help will assist in achieving this goal. All training will be done in house and not require any outside services.

Projected date of completion? September 30, 2017

Update: 07/15/17: All actions to achieve the goal have been enacted; however, consistency is still key. May was a disappointment but we improved in June. I started by sending out the schedule review during the month end close process vs. sending out later in the month. It allowed us to get started earlier rather than later. The new title clerk started at the end of June so this should free up the Office Manager to play a more active roll in asset management vs. serving as a backup tag & title clerk. Goal is to be under 8 so that the controller under this store can start earning this bonus that is in her current pay plan.

Jan.	Feb.	March	April	May	June
11.7	11.7	11.9	11.2	15.1	10.8
July	Aug.	Sept.	Oct.	Nov.	Dec.