



Financial Management Objective Homework

**Student
Class #**

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Name:

Dealer Group A01 Asbur y

Academy

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

10/1/17

by

**Provide the relevant
composite data**

Department	Month	Page	Column

Action plan for achieving objective
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What is the area of focus?

Used Car Department

What is the proposed plan? How will you achieve it?
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Proposed Plan: Improve net to gross % to 45%+ average for the 3 rd quarter 2017. Current YTD thru Q2 is 34.52%.
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How will you achieve it: Concentrate on improving

- | |
|---|
| <ol style="list-style-type: none"> 1) Expense control. Emphasis on 3 most controllable expenses of advertising, personnel, and floor plan/DSI. Will also look to reduce outside services, other semi-fixed, and fixed expenses. 2) Gross profit. Goals for front and back end pvr. Emphasis on decreasing trade to lot time, improve sales process meet/greet to delivery. 3) Wholesale. Improve appraisal process of incoming trades and buy-ins. |
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How will you track your progress? What measurements, KPI's? How often will you track?

How will you track progress: Net to gross %

What measurements:

- 1) Expense control
 - a. Advertising reduced to \$26250 for Q3. \$8750/month. Tracked monthly.
 - b. Personnel. Sales comp reduced to 25%. Tracked monthly.
 - c. Floorplan/DSI. Lower DSI to <=30 days. Tracked daily.
 - d. Other expenses. Review accounts at least monthly and actively reduce unnecessary spending/purchases.
- 2) Gross profit.
 - a. Front end PVR \$1700. Back end PVR \$1300. Tracked daily.
 - b. Goal of 72 hours trade to front line average. Tracked weekly.
 - c. Sales training at least once a week with everyone. Tracked weekly.
 - d. Deal flow meetings Monday thru Thursday. Tracked daily.
- 3) Wholesale.
 - a. One person responsible for trade appraisals.
 - b. Review of trade appraisals. Daily Tracking.

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

- 1) Expense control
 - a. Advertising. No employees.
 - b. Personnel. Sales staff. No old age bonus's or other spiffs. Pay plan already aggressive.
 - c. Floorplan/DSI. Managers train/review importance of putting right money in cars. Core product, product that will go to another store, product that will go to wholesale.
 - d. Other expenses. Review with managers purchase policy from vendors and review procedure to inspect shipments and invoices.
- 2) Gross profit
 - a. Front/Back end PVR. All sales managers must be coached, audited, and followed up.
 - b. Goal of 72 hours trade to front line average. Sales managers, internal advisor, detail manager, and service manager must be involved and communicate daily to improve number of hours. All involved in morning meeting to track trade-ins.
 - c. Sales training. Sales managers responsible for training staff.
 - d. Deal flow meetings. Sales managers, finance managers, and accounting will meet Monday thru Thursday.
- 3) Wholesale.
 - a. One person and review of trade appraisals. Used car manager is solely responsible and we will review trades together.

Is there a cost, or estimated cost for implementation?

No cost for implementation

Projected date of completion?

The project will be completed on 9/30/17. That will conclude Q3. Numbers will be tracked according to above timelines.

Jan.	Feb.	March	April	May	June
July	Aug.	Sept.	Oct.	Nov.	Dec.