



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

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

What is your Goal? To get the service department to make more GP to help cover their share of total absorption for the dealership. Our used car dept covers on average between 65-69% of total dealership absorption. from? July 2019 to? July 2020.

Goal: To have the svc department cover their part of absorption by July of 2020 so that the dealership is overall more profitable and everything the new car department sells is 100% profit, as well as the extra money used cars will be keeping by not having to cover services share of the total absorption.

How do you plan to achieve your goal: First thing we did was hire a veteran service advisor. We're a smaller shop and the service manager was also acting as an advisor selling CP work. Having Butch now as an advisor who had previous experience has already helped. We're now starting to do in house training with those two to help increase CP sales. We're doing the same type of sales training we do for our sales staff. Secondly, we started making the service manager do a daily tracking log that gets turned into to me and the GM every evening before he leaves to show all CP RO's that went through the shop that day. The sheet has RO number, tech #, recommended work, if recommended work was secured, if it wasn't secured, and MPI. We have a grading system where 80% of recommended work should be sold and 95% of MPI should be done. When looking at the sheet at the end of the night it gives us insight on what we need to train on the following day. Doing this for the last 3 months has already increased our CP labor sales by 15%. Our goal for the dealership is for

them to profit 25k a month by July of this year. In doing so this will help the service dept to cover more of the total absorption for the dealership.

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

Some of the tracking I've listed above. Another thing we track is the IEXAM that from Chrysler every month and compare it to the previous month looking at CP labor sales vs. gross per RO, customer retention, loyalty etc. I keep a folder at my desk for the daily tracking sheets that get filed monthly with all my sales folders for us to go and look back on if need by for training needs.

The benefits of achieving this goal will be:

The dealership will be more profitable. Used car department is already very profitable, but the majority of the profits go to covering dealership expenses because the service department is creating enough gross to cover their share.

Take Action!

Potential Obstacles

Potential Solutions

Getting everyone on board with the plan
ensure everyone see's the dealerships vision

Training svc dept daily to

Svc manager feeling inadequate of losing his job because of prior performance

We've sat down with the svc manager to reiterate bringing on the new experienced service advisor is to help lighten his load so he can do more of the managerial duties that he was not completing because of having to also play the role of advisor.

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

GM, GSM, Service and Parts Manager, Parts and Service advisor and Training Specialist.

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

What?

Expected Completion

Completed

Training of staff

Continuing Daily

Never

Daily Log Tracking Of CP RO's

Continuing Daily

Never

**100 RO Analysis to increase Labor Rate submitted to Chrysler December 2019
January 2020**

**Promoting Service Department to drive in more CP traffic October 2019
December 2019 (Highest CP month in 4 years of dealership existence)**