

## FINANCIAL MANAGEMENT HOMEWORK – ACTION PLAN

**S** Specific    **M** Measurable    **A** Achievable    **R** Relevant    **T** Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?  
 Example: "I will decrease my 5K run time from 30 minutes to 21 minutes by June 15, 2020."

**S M T**

I will decrease my Parts Inventory Days Supply from 112 days to 80 by December 31st 2020.

How does this goal align with or support your dealer's vision?

What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?

Why is this goal important to you?

**R**

We have been working on improving the Service Department for a few years now. Service has gone from losing many thousands of dollars each month, to posting a profit for the first two months of 2020. During this time the Parts Department has been neglected. It is time to improve ~~our~~ this department. Carrying less inventory and carrying more relevant inventory will have two outcomes. Customers won't have to wait for parts leading to more sales in service. We will also free up some capital that was tied up in our parts inventory. If we do not achieve this goal we will risk having increased frozen capital. This is important to me because I have worked in parts and the department needs help.



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How will you track your progress? Where will you find the information? How often will you check in?

**S M A T**

I will calculate Parts Inventory Days Supply Each month until the end of the year. In November 2019 the number was 135 days. In January 2020 the number was 114. In February 2020 it was 112. I will find the information on the financial statement

Potential Obstacles?

**A**

OEM RIM compliance

Potential Solutions?

**A**

learning how to maximize our RIM ordering to reduce obsolete parts

BOTTOM LINE! What is the financial impact (expressed in dollars) of achieving your goal?

**S M R T**

We have the potential to free up \$30,000 in frozen capital

CONGRATULATIONS! You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

**S A**

I will continue to calculate the inventory days supply monthly to ensure the number stays in line