

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

Decrease Days Supply of Parts and Service Receivables from 35 to 25 days by September 1, 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

Vision: Free's up money to use in normal business activities. Allows employees to live up to highest potential

Benefits: Reduces frozen capital so we can put dollars to work elsewhere. Reduces work load on Fixed Ops managers and billing clerks. May reduce bad debt expense

This goal is important because we have a very large parts department, so a small change can make a huge impact. Reducing this number will force us to scrutinize our current parts and service accounts and make sure we are making smart decisions when extending credit.

If we can reduce this number, we will have more money to realize the dealer's vision across the organization.

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve?
 For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.



SPECIFIC ACTION/ STEP	NECESSARY RESOURCES?	WHO IS ACCOUNTABLE?	EXPECTED RESULT?	EXPECTED COMPLETION DATE?	ACTUAL COMPLETION DATE?	CHECK OFF
Review and Rank Svc & Parts accounts for:	1) AR reports for the last 12 month	AR Clerk	Ability to determine repeat offenders	4/15		<input type="checkbox"/>
a) Days past due	2) Gross reports on accounts	Parts & Svc Director	Understanding of what accounts = \$\$\$	4/15		<input type="checkbox"/>
b) Number of late pays						<input type="checkbox"/>
c) Avg monthly gross						<input type="checkbox"/>
						<input type="checkbox"/>
Review and Update billing processes	Parts & Service Directors, AR Clerk	Parts & Service Directors, AR Clerk	Build and adhere to routine 100% of the	5/15		<input type="checkbox"/>
						<input type="checkbox"/>
Reset Paramaters for credit on all accounts	Parts & Service Directors, Wholesale	Parts & Service Directors, Wholesale	Reduce Day's supply by 2 day	6/1		<input type="checkbox"/>
						<input type="checkbox"/>
Remove credit for shops that do not meet	Parts & Service Directors, Wholesale	Parts & Service Directors, Wholesale	Reduce Day's supply by 3 days	7/1		<input type="checkbox"/>
						<input type="checkbox"/>
Set process for quarterly review of	Parts & Service Directors, Wholesale	Parts & Service Directors, Wholesale	Reduce Day's supply by 2 days	7/31		<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>

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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 set weekly reminders on tasks in my Outlook calendar for follow up. I will crunch days supply numbers monthly

Potential Obstacles?

A

- Resistance to change from AR clerk and accounting department
- Large wholesale buyers that are late payers
- Wholesale parts guys & Parts director fear of losing commission/pay

Potential Solutions?

A

- Explain the why behind the process and the WIFFM
- Go out and stir up more on time paying business
- Adjust pay plans to account for bad debts/late pays, etc.

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

S M R T

If this is accomplished, this will free up \$605,000 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

Review day's supply quarterly to ensure days supply does not go up. Hold Service and Parts directors accountable for quarterly review of accounts.