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

My goal is to make sure that all R.O.'s closed to customer credit accounts are invoiced to the customer the following day. I also want to make sure that any special instructions for billing are in the customers profile and followed every time they are billed. We currently have receivables of 208,628 in the 61-90 day column and 152,718

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

By doing this we will start the clock on the NET 30 terms allowing us to hold our customers accountable for paying in a timely fashion. Also, our accounts receivable will pay out faster because we will not have the current billing delays and invoices that don't get sent to the proper AP person. The final result will be a reduction in the aging of our receivables and an increase in our available cash flow.

ATD ACADEMY

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
Create full time A/R position	Move our receptionist to accounting dept	Me and our receptionist	A/R manager can put all her focus on collection	06/12/2020		☐
Hire temp receptionist to handle front desk	Staffing service	Me	front desk coverage allows A/R to be moved	06/12/2020		☐
Daily R.O report for invoice reconciliation	CDK	A/R and Controller	Ability to review all closed R.O.'s	06/12/2020		☐
AR@iptruck.com email created	Harrod Tech	Me	consolidate all invoices from one email account	06/12/2020		☐
Track A/R aging report	CDK	Controller and Me	A/R aging should be better over time	07/31/2020		☐
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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

We will print a daily report from our operational reporting and reconcile invoices daily against that report. We will set up a specific email that certain people in our organization have access to that will be the source of all our invoicing. We will then follow our aging report to see the older A/R start to fall off and more importantly track newer receivables and make surre that we are getting payment in a more timely manner.

Potential Obstacles?

A

Not having correct customer information

Customers don't pay

Potential Solutions?

A

Have our A/R clerk contact customers and update our billing contact info.
close accounts that do not pay, be more strict on freezing accounts or moving to cash.

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

S M R T

Over time this will reduce write off's on A/R and it will limit our over 90 day A/R accounts which are currently at $361K

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

This is an entirely new position, so there are no old habits to fall back into, we are moving the responsibility for billing from our service writers to a dedicated A/R clerk.