



## Financial Management Objective Homework

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***I plan to accomplish the following objective our next class on:*** September 11, 2017 **by**

**Provide the relevant composite data**

Department	Month	Page	Column
Parts	June	38	3B

<b>Action plan for achieving objective</b>
<b>What is the area of focus?</b>
I want to get our Parts Department Gross % Sales up to 35%.
<b>What is the proposed plan? How will you achieve it?</b>
I will have the parts manager make incremental increases to the internal parts markup. I will have the parts manager increase counter retail parts markup. I will have the service manager put an end to mass parts discounts by our service advisors.
<b>How will you track your progress? What measurements, KPI's? How often will you track?</b>
I will meet with the parts manager on a weekly basis (Monday mornings) where we will discuss KPI's. I will have him make 5% markup increases, on a biweekly basis, on internal and retail counter parts until we reach 40% gross profit (currently 23.81% and 28.37% respectively). I will have the parts manager give me a weekly report of discounts on parts from the service department and hold the service advisors accountable for those discounts. I will hold a weekly meeting with the service manager about the discounts. If a discount is found to be unmerited/unauthorized, the service advisor will be responsible for reimbursing the company for that discount. I will also cap the parts discount at 10% or \$50, whichever is less (we give discounts for senior citizens and military).
<b>Who are the employees that will be involved, or impacted? Will they require training or assistance?</b>
Parts manager, parts counter salesmen, service manager, service advisors, sales manager. There is no real training needed, only a meeting with the service advisors where the new regulations are laid out.
<b>Is there a cost, or estimated cost for implementation?</b>
No cost involved
<b>Projected date of completion?</b>
Full completion of the getting the parts gross to 35% of total sales by December

31, 2017

<b>Jan.</b>	<b>Feb.</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>
<b>July</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>