

ACTION PLAN 1

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?

I will reduce my aged receivables over days from 825,957 to zero by December 31st, 2020.

BOTTOM LINE: Benefits of Achieving Your Goal

- improve cash position
- increase control over cash & working capital
- increase communication with customers
- shorten sales to payment cycle
- minimize credit risk

Consequences of Not Achieving Your Goal

- The more aged invoice, the less likely we'll receive the money - Bad Debt.
- Decrease in cash position
- customers continue to think we don't enforce our AR terms
- uncollected AR invoices could affect our company AP invoices

When will you start?

October 22, 2020

How will you gauge your progress? When? Using which metrics?

- AR admins to check aged receivable schedule weekly and confirm aged numbers are dropping.

What specific actions will you take to achieve your goal? Who can help you?

- Implement discount policy - 5% discount if paid by 10th of month
- Apply DMS restriction so parts & service can't override invoice charges on account
- Body shop Admin to call insurance companies bi-weekly for updated payments
- Weekly schedule review between AR Admin and Assist. Office Manager to confirm decreases in aged receivables.
- Search for webinars & articles regarding cash management & receivables - have manager sign off upon completion
- Strict policy of not charging invoices unless overaged is paid for
- Admin to call company as soon as invoice becomes aged.

Potential Challenges?

- Customers not answering phone calls or emails
- Parts & service continue to close large invoices overriding account balances
- AR Admins don't fully understand cash flow, business credit collection or working capital

Potential Solutions?

- Send past due statements via certified mail requiring a signature
- Remind customer we accept ACH payments
- AR Admin check in with
- More outside training instead of learning as an issue arises