



Financial

Management

Objective Homework

**Student
Class #**

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Name:

N329

Academy

***I plan to accomplish the following objective
our next class on:***

by

**Provide the relevant
composite data**

Department	Month	Page	Column
Sales	July	7	6A

Action plan for achieving objective
What is the area of focus?
To narrow down the excess inventory for pre-owned vehicles, which will lower frozen capital
What is the proposed plan? How will you achieve it?
This will take several departments. First, service must inspect all purchased vehicles to get them on the lot at a quicker pace. Sales will have to move old inventory faster to allow the inspected pre-owned vehicles a chance to get on the lot. Last, our pre-owned vehicle buyers need a better understanding of what is needed on the lot and when, versus just buying everything in sight. Along with that, they need to learn to pull the trigger on a car that has been sitting for way too long.
How will you track your progress? What measurements, KPI's? How often will you track?
One way to track the progress is with the pre-owned vehicle inventory frozen capital formula. Another key is tracking what is selling and what is not, and start to base inventory on the products that are selling. For purchasing, another way to see when and how much to order is based off how well we follow the pre-owned inventory turns. These are all things that can be tracked on a monthly basis.
Who are the employees that will be involved, or impacted? Will they

require training or assistance?

The sales team, both the side of selling and buying, will be impacted. They purchasing side of the sales team will require information such as what's selling, how quickly we are turning inventory, and would be the optimal amount of inventory. This also affects the technicians as well. Right now, there is an overabundance of used cars they have to work on. If we slow down the amount of inventory coming through the door, they can book more customer's cars, which will make the customer happier.

Is there a cost, or estimated cost for implementation?

There is no cost I can think of. It's just understanding the numbers and what we need to do in order to lower our frozen capital from excess inventory.

Projected date of completion?

I believe this will be quite a long project. It will take time to go through the mountain of used inventory that still needs to go through service inspections. We can't stop buying/taking in trade in's all together, but a steady decrease in buying certain models will begin to lower the excess inventory. I see this project taking a year to be achievable. Therefore, next October seems like a reasonable time to get our excess inventory situation in order.

Jan.	Feb.	March	April	May	June
July	Aug.	Sept.	Oct.	Nov.	Dec.