



Financial Management Objective Homework

**Student
Class #**

Jason
Anderson

Name:

N331- 30

Academy

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

November 27th

Provide the relevant composite data

Department	Month	Page	Column
Service/Parts/Body shop/expenses	August or October	D	7A

Action plan for achieving objective
--

<p>What is the area of focus? - Adjusting our processes to gradually Increase fixed and total absorption by way of better GP% In fixed operations and reduced expenses.</p>

<p>What is the proposed plan? How will you achieve it?--- Our GP% is low in all areas of parts and service. If we get these numbers in line, our profit and absorption will increase! Furthermore, we can reduce our dependency on new cars. Creating more stability in the dealerships month to month operations, and have to depend less on Stair step/under the line programs from our friends at the factory!</p> <p>The plan here is to look at all of our processes in parts and service. Mainly dispatching in service, and pricing in parts. Find the source of the problem and make necessary adjustments as a TEAM. We will be putting up scoreboards in both departments that will need updated daily by their respected managers in order to create a level of buy in and accountability. Everyone will know the goal.</p>

<p>How will you track your progress? What measurements, KPI's? How often will you track? - Fortunately we can measure GP% any day, anytime. We can also monitor discounts in parts and technician hours in our DMS to keep an eye on the KPI's - I'm going to have weekly 1 on 1's with our dept heads to track and</p>
--

monitor progress, this is also an opportunity to coach and train on the necessary daily activities needed to hit our goals. We are also going to have a meeting mid-month with all of the managers attending. This will be our opportunity to make "**halftime adjustments**". We're going to get everyone involved and use tribal wisdom from every dept.

- I will be responsible for asking questions during these meetings and 1 on 1's about what expenses are necessary and what can be cut. We need to outsmart our competition, not out spend them.

Who are the employees that will be involved, or impacted? Will they require training or assistance?

Service Managers, Parts Managers, Parts consultants, service advisors, controller and myself.

The entire service and parts team will need training on the new processes and procedures.

Is there a cost, or estimated cost for implementation?

The only investment made here will be focus, time, effort and discipline. We have the sales/r.o's

Projected date of completion? Goal completion is not just a date to hit the mark, but to set the NEW standard for absorption and GP% moving forward, forever. - We should be able to move the needle significantly in 6 months. By then we should have all unneeded expenses weeded out as well.

We are currently 83% total absorption.
I would like to be over 90% in 6 months.
Over 95% in 12 months
At or near 100% in 18 Months.

Our fixed absorption is currently 47%
I would like to be 52% in 6 months
60% in 12 Months
65% in 18 Months

Guide is 75% - We will have to continue monitoring the progress ad processes and make necessary adjustments as we go to get all the way there.

I want to have all of the processes and procedures in place by my November 27th return to class. As well as the necessary training completed. So we can focus on moving the needle in every meeting and in our day to day actions.

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

