



## Financial Management Objective Homework

**Student  
Class #**

Samantha Feinberg
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**Name:**

N330
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**Academy**

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

November 13, 2017
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**by**

**Provide the relevant  
composite data**

Department	Month	Page	Column
Pre-Owned Inventory	Sept	7	12

<b>Action plan for achieving objective</b>
<p><b>What is the area of focus?</b> Eliminating aged inventory from Used Car department, and being proactive with regard to aging inventory so as not to allow them to reach significant "aged" status.</p>
<p><b>What is the proposed plan? How will you achieve it?</b> The proposed plan is to introduce a "soft" 60-day inventory policy. Rather than just wholesaling aging vehicles at 60 days, we will implement a number of tactics to get them sold once they hit 55 days. Tactics will include: incentivizing sales staff and BDC representatives with spiffs for a sold aged vehicle, strategically sending email blasts marketing those vehicles with low prices, pricing vehicles "at cost" across all internet properties (through vAuto). Once cars hit 75 days, Used Car Manager will evaluate if any cars might be "specialty" cars (for example, Pilots and Odysseys are hard to come by - it may be worth hanging on to them, even if they're aging, because there is specific demand for them). If not, Used Car Manager will work with wholesalers on price.</p>
<p><b>How will you track your progress? What measurements, KPI's? How often will you track?</b> We have a Google Doc that lists our all of our inventory. It previously only included stock #, year/make/model, VIN, retail price, and mileage. It now includes age of inventory and reconditioning amount so we can easily identify what we own the car for, and how old it is. Aged vehicles will be highlighted in yellow. We will track our progress on a daily basis to monitor aged vehicles. To start, we will keep aged vehicles until the end of the month, when we typically see our highest volume sold/highest traffic. At the end of the month, we will track how many aged vehicles (highlighted in yellow) have been sold, and how many we still have on the floor. Once we determine what will be wholesaled, we will keep track on a monthly basis on how much we've lost on the vehicles that were wholesaled, and how much we made on the vehicles</p>

that aged that we still sold (financing, front-end profits, reconditioning in Service and Parts).

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

Used Car Manager, Used Car Staff. No training required.

**Is there a cost, or estimated cost for implementation?**

No explicit implementation cost, but the costs of wholesaling vehicles vs what we own them for is unknown and will likely be something to note.

**Projected date of completion?** November 1, 2017