



## Financial Management Objective Homework

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**Class #**

*I plan to accomplish the following objective* November 2017 **by**  
*our next class on:*

**Provide the relevant composite data**

Department	Mont h	Page	Colum n
Parts	Jan	7	a

<b>Action plan for achieving objective</b>
<p><b>What is the area of focus?</b></p> <p>The area of focus is parts obsolescence. Currently the dealership is showing inventory levels in the 9-12 and +12 categories (value based) that are twice as large as the Average Performance for the composite group. The objective would be to get to the group average by October 2017.</p>
<p><b>What is the proposed plan? How will you achieve it?</b></p> <p>The plan is two fold. First part is to analyze the existing obsolete parts and determine if some can be transferred for use at other departments within the dealership. After those parts are separated the remaining balance will either be returned using the existing Return Allowance from the manufacturer or will be written off. The second part of the approach is to take a closer look at the parts that are in the 7-9 month category to be identify those that might be subject to be returned using the Return Allowance.</p>
<p><b>How will you track your progress? What measurements, KPI's? How often will you track?</b></p> <p>We will start with a list to make decisions based on the plan above. After we will track the changes monthly using the Parts Mgr Summary report. The KPI to be followed is Inventory Movement based on Sales for the categories 10-12 months and Over 12 month groups. The measure for these two categories based on the</p>

January 2017 indicators was at a combined 12.21%. The objective is to half the aggregate % by November this year.

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

Staff involved will be Parts Mgr, General Mgr and CFO.

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

There is no cost for the plan, except for obsolete parts that are written off, but the dealership has enough amount in the reserve to absorb the estimated write-off

**Projected date of completion?**

<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. 31st</b>	<b>Nov.</b>	<b>Dec.</b>