



Financial Management Objective Homework

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Academy Class # 322

I plan to accomplish the following objective by our next class on: 3/20/2017

Provide the relevant composite data

Department	Month	Page	Column
Used	12/2016	21A	5B

Action plan for achieving objective
What is the area of focus? Used vehicle profitability (gross) needs to improve. CPO is losing money.
What is the proposed plan? How will you achieve it? Replace the used vehicle manager. In particular, CPO needs focus, as there is a large sum of money being lost with these vehicles (after reconditioning). Vehicles are old and need a limit on the amount of time they stay in inventory. Processes for moving old vehicles need to be examined.
How will you track your progress? What measurements, KPI's? How often will you track? Overall, we are below all 20 group and high end brand BOC averages in used vehicle. F&I is at par for used vehicle but the actual gross on used vehicles is low overall. We will consider all used vehicle KPIs, including GP%Sales (including any offsets due to profit realized on the new vehicle side due to trades), consider the new-to-used ratios, and examining the internal service being done to used vehicles. Monthly, we will update these figures as new financial statements are completed to track progress.
Who are the employees that will be involved, or impacted? Will they require training or assistance? There is a new used vehicle manager that was recently hired. He has experience in the department and understands the shortcomings of the previous employee in that role. He will be required to work with the techs and service department closely in making decisions on reconditioning, particularly relative to CPO. We will see if additional training or tools are required based on short term (2 months) of his results.
Is there a cost, or estimated cost for implementation? There is an initial cost for training of the new individual, but there should be a cost savings (and higher grosses) through the changes that occur. Any tools purchased may also increase expenses.
Projected date of completion? Improvement must be made within 6 months (August 2017)

Jan. Issue ID-ed	Feb. New UV Mgr	March	April	May	June
July	Aug.	Sept.	Oct.	Nov.	Dec.