



Financial Management Objective Homework

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I plan to accomplish the following objective our next class on: *Year end, 2017 **by**

WIG - "I have 5 aged units in New Car inventory that represent \$1.5m of frozen capital , and my goal is to sell these units out of inventory by Dec 31st 2017"

NB: For the brands that I represent and the dynamics of the super luxury market, aged inventory means anything over 6 months in stock. Exceptions can be made for specific units and seasonality. The typical '60 day turn' is not considered to be appropriate for this market.

Provide the relevant composite data

Department	Month	Page	Column
New Vehicle Sales	Aug	6	7

(Please scroll down for Action Plan)

Action plan for achieving objective
What is the area of focus?
New Car inventory, freeing up frozen capital
What is the proposed plan? How will you achieve it?
Plan A) Retail these cars by. 'Plan A' is as follows Create a 'hit list' of retail buyers by reviewing all quotes given on the targeted 5 units. Share amongst sales people. Announce a per unit spiff and group target spiff that to the sales people to motivate sales person buy in. The time frame for this spiff to pay out is Nov 30 th 2017. Explore the wholesale market on each unit and get cheque writing numbers on each car for wholesale.
Plan B) Wholesale these cars to non-competing dealers ie out of territory. If retailing efforts are not successful by Nov 31, make call on Wholesale deals on a per car basis.
How will you track your progress? What measurements, KPI's? How often will you track?
Results are ultimately measured on deliveries vs. number of aged inventory within the timeframe ie Nov 30 th 2017. Progress will be measure by quantity of quotes

per aged unit and these will be tracked weekly, assuming a closing ratio of 20%, each car will need to be quoted 5 times for it to sell so 5 quotes x 5 cars = 25 total quotes are to be created in order to sell these units within the time frame. With 4 weeks left before the end of Nov, my team needs to create 6 quotes per week total on these units. I will measure weekly quote quantity against the required 6 quotes and update the team on their performance vs the benchmark of 6 quotes per week.

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

General Manager / Used Car Manager / Sales People - require an introduction to the initiative and supervision

Is there a cost, or estimated cost for implementation?

Departmental gross and bottom line profitability may be impacted if losses are incurred (likely), though it is a case of 'pay now or pay (potentially more) later'

Projected date of completion? Dec 31 2017