



## Financial Management Objective Homework

**Student  
Class #**

Adam Goldstein

**Name:**

331
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**Academy**

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

May 2018.
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**by**

**Provide the relevant  
composite data**

Department	Month	Page	Column
Total expenses	Oct	2	1
Total used gross profit	Oct	2	6
	Oct	3	2

<b>Action plan for achieving objective</b>			
Total service dept gp	Oct	3	2

<b>What is the area of focus?</b>	Total parts dept gp			
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Being at 100% total absorption. Through October 2017 we are at 87%. By achieving 100% total absorption, this will take the burden of having to make new car front end gross and passing on front end losses. We would be able to take all deals and achieve higher volume within Infinitis below the line program. This would allow us to make 6% of msrp on every new Infiniti sold.


**How will you track your progress? What measurements, KPI's? How often will you track?**

Progress will be tracked through Infinitis quarterly volume goals, our dealership internal log.

**What is the proposed plan? How will you achieve it?**

The proposed plan is to raise our monthly used car volume to 50 units per month from 38. We have just signed up with trucar.com for both new and used cars along with cargurus. We also just started to geofencing to target buyers at other retailers. This will also bring increased internal RO's for service and parts. At our yearly average of 4054 per unit, this will get us to 100% absorbed. We will need to purchase rental cars and keep more vehicles that we would normally send to the

auction. By raising the volume and gross of our used car department, it will allow the new car department to focus on doing higher volume and lower gross vs. lower volume and higher gross. This will allow us to make more below the line money from Infiniti. If this is achieved we will make a higher net profit. If our new car department can average 800 front and back (0 front end gross, 800 back end) at an average monthly volume of 45 units at 6% below the line...the dealership will net over 2 million dollars.

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

We estimate tru car will cost us 1500-2000 per month. We will also incur increased floor plan costs with more used car inventory, sales commissions, and managers commissions to due increased gross profit. We plan to offset the used floor plan costs with moving new inventory faster and running a credit with new car floor plan.

**Projected date of completion? May 2018**

<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.</b>	<b>Nov.</b>	<b>Dec.</b>