NADA | ACADEMY

Financial Management Objective Homework

Student Class # | Jonathan Breton | **Name:** | N331 | **Academy**

I plan to accomplish the following objective *by* ***our next class on***: | November 27, 2017 | *by*

Provide the relevant composite data

Department	Month	Page	Column
Used Car Sales	Oct.	6	8B

Action plan for achieving objective
What is the area of focus?
Used Car inventory turn rate. As of October 2017, this figure was 7.1 times per year. The goal is to get
this to a benchmark 12 times per year.
What is the proposed plan? How will you achieve it?
The plan to get our Used Car inventory turn rate to 12 times per year will involve management of more
than one inventory management factor: reconditioning turnaround times, establishing and adhering to
a cost-to-market and price-to-market targets, and to create and enforce a strict aged stock policy.
How will you track your progress? What measurements, KPI's? How often will you track?
Progress will be tracked monthly with regards to main the *used car turn rate* KPI. However, other KPIs
will be used to track for management purposes on a daily/weekly basis. These management KPIs
include: *cost-to-market* (%TBD, vAuto, when purchasing), *reconditioning turnaround time* (72 hour
goal, utilizing Excel spreadsheet), *price-to-market* (%TBD, vAuto, when pricing).
Who are the employees that will be involved, or impacted? Will they require training or assistance?
Jonathan Breton (General Manager), *Tim O'Reilly* (Used Car Manager), *Dan Golightly* (Service

Manager), *Mohamed Sherman* (Internal Advisor), *Jeff Baptista* (Lead Detailer)	
KPIs:	
- Used Car Inventory Turns: # months in year / months' supply UC inventory (P6 – 8B in comp.)	
o Calc. for months' supply UC inv.: month-end inventory - avg. monthly cost of sales	
- Cost-To-Market: vAuto statistic; must establish a dealership matrix	
- Price-To-Market: vAuto statistic; must establish a dealership matrix	
- Reconditioning Turnaround: # days from when added to UC stock to when ready-for-sale	
Is there a cost, or estimated cost for implementation?	
No additional cost. Only time and communication.	
Projected date of completion?	
An initial 6-month period to establish all KPIs, policies and reporting and have them adhered to	
consistently. Activity and result milestones detailed below.	

Action Plan Timeline and Milestones

				Nov. 2017	Dec. 2017
				Joint GM and UCM meeting to review CTM and PTM and configure vAuto dashboard with SRP	Establish 2018 aged inventory policy to be enforced starting Jan. 2018 (days guide, action required)

				and VDP stats Create reconditioning tracking sheet	Set Cost-to-Market and Price-to-Market targets (matrix) Get agreement on recon turnaround service level between all parties (penalties after 5 days, bonus if 3 days or less)
Jan. 2018 Communicate Service Manager, Internal Advisor, Lead Detailer bonus plan for 72-hour turnaround	**Feb. 2018** First reconditioning turnaround report distributed	**March 2018**	**April 2018** 12x turn milestone target	**May 2018**	**June 2018**
July 2018	**Aug. 2018**	**Sept. 2018**	**Oct. 2018**	**Nov. 2018**	**Dec. 2018**