



## Financial Management Objective Homework

**Student  
Class #**

EDWARD  
HOENE

**Name:**

331

**Academy**

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

I plan to reduce rental expense in the service department

**Provide the relevant  
compositedata**

Department	Month	Page	Column
Service	NOV		

<b>Action plan for achieving objective</b>
<p><b>What is the area of focus?</b></p> <p>The area of focus is on service department rental expense</p>
<p><b>What is the proposed plan? How will you achieve it?</b></p> <p>The proposed plan is to reduce rental expense. To achieve this goal I have discussed the situation with my General manager who is also a recent graduate of the NADA academy. Our manufacturer has a loaner program in place to help us out. We were not utilizing it up until now. It's simple. If we put the mandated number of same brand loaners into our fleet we will be eligible for reimbursement of rental expense for overflow. We are currently using off brand vehicles to "save money" but I have pointed out multiple failures in this line of thinking. Including the most important. Customer dissatisfaction.</p>
<p><b>How will you track your progress? What measurements, KPI's? How often will you track?</b></p> <p>It will be easy to track the reduction in expense as I have created a unique labor type in our DMS to pull the report. I will "and already do" review the labor type monthly to monitor the reduction in cost to the dealer.</p>
<p><b>Who are the employees that will be involved, or impacted? Will they require training or assistance?</b></p> <p>The employees involved are almost the entire company believe it or not. The sales management team has to pick the proper cars for the program. The accounting department will have to monitor the write downs on each unit monthly. The</p>

service coordinators will have to schedule them accordingly. The service advisors will have to have proper documentation for the factory for compliance purposes. The warranty admin will have to document usage on warranty claims and also claim rental expense for overages. The lot attendant will have to park and stage them. The car washers will have to clean them. The tech's will have to maintain them and evaluate the condition of each one when it comes time to pull them out of service and retail them. The parts department will have to make parts estimates for needed repairs and then the sales staff will have to sell them. Then the F+I department will have to upsell accessories and provide financing. Total team effort involved and training and assistance will have to be monitored as we go.

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

The cost associated with the implementation of the plan to meet our goal will be monitored monthly. Initial cost is putting the units in place. Evaluating the cost of retailing out of the units will have to be done on a case by case basis. Then collectively to see if we have a monetary savings. Either way we will have a measurable CSI increase I'm sure based on current customer feedback.

**Projected date of completion?** December 31, 2017. This will be an initial implementation completion date but will be on going as long as it takes.

<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>