



## Financial Management Objective Homework

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<b>Student</b>		<b>Name:</b>	<b>Academy Class #</b>

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

Improve body shop internal labor to \$15,000 by November 27<sup>th</sup>, 2017.

**Provide the relevant composite data**

Department	Month	Page	Column
Collision Center	Oct.	47	4

<b>Action plan for achieving objective</b>
<p><b>What is the area of focus?</b></p> <p>The area of focus is to increase internal labor in our body shop to at least \$10,000 per month. In week 1, I noticed a large discrepancy between other members' body shops and ours - we are well below the group average in many columns.</p> <p>After some research back home, I found that our body shop's large majority of work comes solely from collision repair at a low labor rate. Raising the labor rate for collision repair is difficult and will take time.</p>
<p><b>What is the proposed plan? How will you achieve it?</b></p> <p>The proposed plan is to increase body shop internal labor to at least \$10,000 per month. This should lead to higher overall profits and more steady revenue.</p> <p>In class, one of the other members mentioned lifting many of the trucks in his new inventory. He said that those trucks were very popular, sold for a higher gross and provided extra internal labor for his body shop. The market for his dealership is very similar to ours, so I thought this may work for us as well.</p> <p>To start, we had to find reliable providers for lift kits, wheels and accessories. We spoke with our Ford representative and were advised to use Pro Comp because Ford has a warranty program in place for lift kit repairs with them. We then selected suitable aged new trucks for the lifts. Going forward, we look to keep at least 7 new trucks with lift kits, wheels and accessories on the lot - when one sells, another one will be lifted and accessorized.</p>
<p><b>How will you track your progress? What measurements, KPI's? How often will you track?</b></p>

Daily dock sheets allow me to track the progress of these lifts and internal labor progress. Also, frequent visits to our body shop garage and conversations with our new truck manager will keep me updated on our progress.
The NADA composite book, page 47, will give me a monthly summary of our progress towards our goal of \$10,000 internal body shop labor per month.
<b>Who are the employees that will be involved, or impacted? Will they require training or assistance?</b>
Terry, our body shop's senior technician, will be the sole technician performing these lifts and installing accessories. He is very experienced, over 30 years, and efficient. He will require no training.
Justin, our body shop manager, along with Jim, our new truck manager, will be in charge of selecting the aged trucks to be lifted and accessorized. They will also be selecting the lifts and accessories to be installed on each truck. Both are long time employees of ours that are familiar with the process and will require little to no training.
<b>Is there a cost, or estimated cost for implementation?</b>
The estimated cost per lift kit will be \$3,500. To begin, we will need to purchase \$1,500 in tools and equipment. To keep costs low, Justin will be ordering the lift kits and accessories himself from Pro Comp as we would like to keep this process streamlined and avoid involving our parts department.
<b>Projected date of completion?</b> December 31 <sup>st</sup> , 2017

<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>