



Financial Management Objective Homework

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Academy Class #N322

I plan to accomplish the following objective by our next class on: March 20, 2017

Department	Month	Page	Column
Service Department	Dec	30, 34	1, 7

Provide the relevant composite data

Action plan for achieving objective
What is the area of focus?
Area of focus is reducing expenses: Adjusted Cost of Labor (unapplied time) and Policy Work, both of which are considerably high for our store. Adjusted Cost of Labor (avg. 11k/m; Dec 2016), Policy Work (avg. 9.5k/m; Dec 2016).
What is the proposed plan? How will you achieve it?
Our goal is to decrease both expenses by 20% by June 30th. Currently we have a number of techs on hourly pay, we will move these techs to flat-rate pay and incentivize them to turn hours. Policy work - we are currently 'unsure' where the Policy work lies - be-backs, rentals, etc. By creating sub-accounts for each type of Policy Work, we will quickly identify where our deficiencies are coming from, and take action to improve. We have also discussed amending our Service Director's pay plan so he will benefit directly from a reduction in expenses (pay on net).

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

Progress will be tracked monthly via the Financial Statement. Adjusted Cost of Labor Sales - Page 16 line 30, MTD/YTD. Fixed Ops Policy Work - Page 4 line 25, MTD/YTD.

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

Service Director, Service Advisors, Techs. Service Director and Advisors will require monitoring. Techs currently on hourly pay will require monitoring, further training, and dedication to become a 'full-service' tech (i.e. not just a quick-lube tech).

Is there a cost, or estimated cost for implementation?

No direct cost

Projected date of completion? June 30, 2017

Jan.	Feb.	March	April	May	June
July	Aug.	Sept.	Oct.	Nov.	Dec.