



Financial Management Objective Homework

Student **Name:** **Academy**
Class #

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

Provide the relevant composite data

Department	Month	Page	Column
INVENTORY/FROZEN	11	7	5

Action plan for achieving objective
<p>What is the area of focus?</p> <p>We are a 2 year old New CDJR point. Our excess new vehicle inventory is at a dangerously high level, with high levels of aging. We currently have a 176 Days supply of New vehicles. This has been caused by an overstocking initially, and not knowing what vehicles, trims, and combinations would be popular and sold in our new market. Not keeping the focus on First In First Out.</p>
<p>What is the proposed plan? How will you achieve it?</p> <p>We will continue to reduce stocking levels to a more manageable level, and order and build more carefully going forward, focusing on our current sales statistics over the last 2 years and market sales statistics. We will reduce current and future inventory to a 90 day supply by the end of the 1st quarter of next year, and continue to function at that level. We will have incentive rewards and penalties associated with the aging inventory. By the time of our next Class we will be moved into a new facility and new property with local display area (Currently our inventory is kept on storage lot), when we make the move and going forward Aging new vehicles will be displayed front and center, they will be the first seen by customers.</p>
<p>How will you track your progress? What measurements, KPI's? How often will you track?</p>

We will track our progress Daily. We have a spot on our daily checkout email that will tell all managers how many leftovers we have in stock, how many new vehicles in stock over 100 days, and the dollar figure of those vehicles. This will keep in front of mind and will have to be looked up and updated every single night.

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

Myself, my sales managers, and my inventory managers will all be looking at this and effected by this daily. We will have a dollar penalty if any units are over 100 days starting April 1st 2018. It will start at \$250 per employee per month. This may have to increase depending on results, we will evaluate May 1st.

Is there a cost, or estimated cost for implementation?

There is no cost for implementing this process, just focus needed by everyone associated with New vehicles.

Projected date of completion? 1st step to be in place by April 1st. This will require daily, weekly, monthly, and annual focus. This is a process that once put in place will not end, and will need to be monitored to remain successful!

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