



Financial Management Objective Homework

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Class #

I plan to accomplish the following objective February 5, 2018 **by**
our next class on:

Provide the relevant composite data

Department	Month	Page	Column
Parts	12	6	11A

Action plan for achieving objective
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What is the area of focus? I plan to reduce the parts inventory by \$50,000.

<p>What is the proposed plan? How will you achieve it? The purpose of the plan is to get rid of obsolete parts that have been accumulated, due to an old dealership that existed before we bought the company, which was 3 old stores that have been amalgamated into one store. Also, it will help get our parts inventory in-line to allow our parts department to be more profitable without an over-abundance of parts that we do not use, and allow us the space and the money to invest in parts that do move quickly. This will also give our customers a better experience having the right parts on the shelf to service the more quickly.</p>
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<p>How will you track your progress? What measurements, KPI's? How often will you track? I will begin this process as soon as inventory is done and reconciled. So starting January 1st, I will pull a suggested return based on no sales in the past 60 days, then I will sort the return and return parts based on the longest time in inventory to my maximum return limit which is right around \$50,000, and have that submitted to Ford by the end of the first week of January. From there I will monitor the daily progress of picking and packing the return and ensure that is done by the end of the January 19th week. From there I will have</p>
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one week left in January to label and ship everything to Ford to have my credit for the end of January. The result of this objective should be reflected on the February financial statement if not in time for the January statement.

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

The employees involved will be myself (parts manager) and the parts counterperson. This will require juggling time to ensure our service and sales dept., as well as customers are looked after during the process. Limited training will be needed as a refresher on how the return needs to be picked, labeled and packed.

Is there a cost, or estimated cost for implementation? The only cost of implementation will be the actual shipping cost of the return as well as the % we will pay on the parts return. No overtime will be needed to complete the objective.

Projected date of completion? Projected date of completion is January 31, 2018.

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