



Financial

Management

Objective Homework

Student **Name:**
Class #

Academy

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

Provide the relevant composite data

Department	Month	Page	Column
	12	7	7A

Action plan for achieving objective		D	I
What is the area of focus?			
<p>My area of focus for this objective is to free up Frozen Capital. This has been a focus of mine for some time and has come a long way since we have started collecting on old debts. But needs work in more areas which I will list below.</p>			
What is the proposed plan? How will you achieve it?			
<p>New Car inventory/currently at \$3,316,484 which doesn't concern me a whole bunch as the majority of the inventory is 2018 model year (2018 Toyota Tundra mostly). We do have \$895,000 in past model inventory that I have instructed the New Car Sales manager to move to front of the building and price them all to sell. We will also put them on our Facebook page/Auto Trader.</p> <p>Used Car inventory. With \$960,000 in excess used inventory cleaning this up is my top priority this year. As we transition into a new facility in the spring of 2019 my end goal is to have the majority of this cleaned up. I do believe this will come at a cost via write down and taking some lumps retail so to speak. We will utilize the strong American dollar vs weak Canadian dollar and send a portion of the aged inventory to the auction will the hope we can minimize the losses moving forward.</p> <p>Excess Service, Parts, Body shop Receivables. This one we have been working on for some time already. We have recovered almost \$68000 in old receivables since June of 2017. We put this in place when we hired a new controller who made it her goal to get these paid. First thing we put into place is all customer charge accounts were suspended and we would put a customer's credit card on file</p>			

<p>instead. Any wholesale/retail customer accounts over 90 days was given weekly phone calls until the debt was paid. Obviously, we still have a ways to go but I do believe we are trending in the right direction.</p> <p>Excess Parts and Accessories inventory. Toyota Canada has just released the new Return policy for 2018 where there is no 60 day or obsolescence returns moving forward. We now have the ability to return whatever we like over 3 months in stock as long as it was ordered before November 2016 at a 5% penalty so what I have instructed my Parts and Service Manager to do is take advantage of this and return all the parts between. We should be able to recapture somewhere around the \$75000 dollars range or 64.4% of the aged inventory once we see what they accept and don't. I do have \$17323 in parts over 25 months which I will gather up and see what can be done with them. Sell them on eBay, have a garage sale or throw them out if they are damaged and write them out of inventory.</p>		
<p>How will you track your progress? What measurements, KPI's? How often will you track?</p>		
<p>New and Used car tracking. I will be directly involved in this process and tracking as I keep a close eye on these departments already. But it will be my Sales Manager Jordan Campbell that will be making most of the decisions unless he needs my assistance. I will be tracking this weekly to see the progress as we move forward throughout the year.</p> <p>Excess Service Parts Receivables. This process is already in place as I review this on a weekly basis today. One thing I am changing is sending statements every 2 weeks instead of monthly.</p> <p>Excess Parts and accessories inventory. Tracking this will be the most challenging of all the departments I have listed. I hadn't spent a lot of time of this department but moving forward once we process this latest parts return, I will be reviewing this on a weekly basis moving forward with my parts and service Manager (I have signed him up for week 2) so we can both get a better handle on this moving forward.</p>		
<p>Who are the employees that will be involved, or impacted? Will they require training or assistance?</p>		
<p>Employees that will be handling these tasks will be myself, Jordan Campbell my Sales manager, Bryan Webber my Parts and Service Manager and also my controller Laurie Kleinsasser. As for</p>		

training I don't think that will be necessary but better processes for all departments moving forward so we don't have this happen again moving into our new facility.			
Is there a cost, or estimated cost for implementation?			
I will track the cost on a weekly basis as the majority of it will come from aged parts and our used car inventory. It is very hard to put an accurate cost on this objective but it will come at a cost that I likely won't like but has to be done to run a more effective dealership moving forward.			
Projected date of completion?			

Jan.	Feb.	March	April	May	June
July	Aug.	Sept.	Oct.	Nov.	Dec. End of 2018