



## Financial Management Objective Homework

Student Name:

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Academy Class #

335

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

04/16/2018

Provide the relevant composite data

Department	Month	Page	Column
used	December 2017	6	8

**Action plan for achieving objective**

**What is the area of focus?**

I'm going to focus on our used vehicle inventory turn. We are currently turning over the inventory a little over 4 times per year.

**What is the proposed plan? How will you achieve it?**

We are currently turning our inventory about 4 times per year (4.23). We will be on a hard 60 day turn. If a vehicle turns 60 days, it must be sold, retailed or wholesaled, by the end of the month in which it turned 60 days. In addition, the used car manager must be aware of the daily market supply on the vehicles he plans to purchase or trades he plans to keep. It's not good enough to just look at miles and condition. They may be cheap for a reason, a high days supply in our area, wrong color, wrong or missing equipment are just a few examples. The used car manager will use our inventory control system on a daily basis. We currently use Frist Look Max Digital but I'm open to changing to V-Auto. Make sure all of our inventory is properly displayed on our website. There will be consistent pictures of every vehicle with the correct vehicle ad. It's ok to talk about our comprehensive certification process but we will also let our customers know what makes our vehicle unique. We will use factory colors whenever possible. The factory spends a lot of money and time coming up with names of the colors so let's use them. The first week is critical in turning our inventory fast. Vehicles you're buying or trading must get reconditioned within 5 days of purchase or when they get traded max. As soon as they're finished getting reconditioned they will be displayed properly on our lot. The detail department will clean them in order they are received. The inventory will be WALKED on a daily basis, no exceptions. Have the sales team help with this. This will allow the team to get more familiar with the inventory and will give management valuable information on why the vehicles aren't getting sold. Get the issues addressed right away. Each day wasted costs us money. Have lot parties several times a month. It helps changing the look of the lot. And getting cars moved around may get them more exposure. Someone may have driven by your lot yesterday and didn't see the car the following day and may inquire if it's still available. Closely work with the internet department and get all questions answered intelligently and in a timely manner. Internet customers will be treated like customers that walk on our lot. Don't fall in love with any vehicle. Your first gross is usually your best. Take the deal! If it doesn't sell within the 60 days, get rid of it and replace it with something else that will pay for the space it sits on. We only get so many swings at the ball so make them count. Rinse and repeat!

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

Progress needs to be tracked on a daily basis. Once we have it under control it won't take long to do every morning. We can't wait to 30 days to see why certain vehicles aren't selling. Get new pictures up on our site. Change our online ad. Adjust the price. We don't always need to be the cheapest but we need to price it to our days supply in our area. Track how often the vehicles are being viewed online. Few views may mean there is a large days supply, wrong equipment or priced too high or too low.

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

The used car sales manager will be responsible for the 60 day turn. He will get assistance from the new car manager as well. The GM will make sure the process is followed correctly and provide training and assistance in all area of need.

**Is there a cost, or estimated cost for implementation?**

The initial cost will be a wholesale hit to the bottom line. However, I believe it will be more than made up with the frontend grosses on freshly turned inventory. Plus we will be bringing in service work by turning the inventory more often. Also, we won't be losing as much as we would if we wait to wholesale the overage units. The longer we wait the more it depreciates.

**Projected date of completion?**

<b>Jan.</b>	<b>Feb.</b>	<b>March 31st</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>