



Financial Management Objective Homework

**Student
Class #**

Bobby Smith

Name:

201

Academy

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

Increase used truck operating profit to above the group average.

Provide the relevant composite data

Department	Month	Page	Column
Used Trucks	Jan	18	10

Action plan for achieving objective
What is the area of focus?
Inventory management.
What is the proposed plan? How will you achieve it?
<p style="margin: 0;">Reducing inventory greater than 120 days by reducing through put and managing pricing.</p> <p style="margin: 0;">Increasing inventory levels by increasing OMPs and maximizing consignment units through DTF.</p> <p style="margin: 0;">Improving inventory mix by working with our wholesaler to purchase the correct inventory mix.</p> <p style="margin: 0;">Purchase inventory with remaining warranty to decrease policy and increase sales price by working with the new truck department and our wholesaler to focus on units with remaining warranty. Maximizing the percentage of inventory advertised by reducing the time between purchase and market ready.</p>
How will you track your progress? What measurements, KPI's? How often will you track?
We will track this progress through a multitude of reports: NADA

**composite, financial statements, DPR, inventory aging reports, shared point and advertising tracking reports.
All of the above information will be tracked weekly.**

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

The employees involved will be the General Manager, Used Truck Sales Manager, Used Truck Coordinator, Corporate Wholesaler, Used Truck Salesmen and the used truck clerical person.

Is there a cost, or estimated cost for implementation?

There will be an increase in flooring expense due to an increase in units in inventory. At an average flooring amount of \$45,169, interest per unit will be \$104.27 per month for each additional unit added to inventory. There will also be an increase in advertising expense as additional units are advertised on Ebiz but this amount should be minimal.

Projected date of completion? 04/31/17

Jan. (\$97,606)	Feb. (\$32,484)	March	April	May	June
July	Aug.	Sept.	Oct.	Nov.	Dec.