FINANCIAL MANAGEMENT HOMEWORK – ACTION PLAN

S Specific M Measurable A Achievable R Relevant T Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?
Example: *"I will decrease my 5K run time from 30 minutes to 21 minutes by June 15, 2020."*

S M T

Remove all Used Truck inventory aged over 180 days before 9/1/2023. Purchase younger, lower mileage and more desirable used trucks.

How does this goal align with or support your dealer's vision?
What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?
Why is this goal important to you?

R

Our goal is to maintain a used inventory aged less than 180 days. This will prevent losses in aging inventory. We have a very aged inventory and are taking substantial writedowns on the vehicles as the market declines. We currently have 13 vehicles in our Used Inventory and all of them are over 500,000 miles and over 180 days in our inventory. As the spot market rates have declined these trucks have become very difficult to sell. This is capital tied up, diminishing in value, that could be invested into more profitable, younger and lower mileage trucks.

ATD ACADEMY

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve? For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.

SPECIFIC ACTION/ STEP	NECESSARY RESOURCES?	WHO IS ACCOUNTABLE?	EXPECTED RESULT?	EXPECTED COMPLETION DATE?	ACTUAL COMPLETION DATE?	CHECK OFF
marketing to other dealers through Iron	access to pictures through controller	Used Sales manager	wholesale trucks	9/1/23		☐
Pricing trucks below market pricing	Used mgr to audit market weekly and	Used Sales Mgr, Finance mgr	sell trucks	4/1/23		☑
Down payment match program	Volvo Finance	Used sales mgr Finance mgr	sell trucks	4/1/23		☑
New truck Sales commission plan	New truck department	New truck sales mgr	sell trucks	6/1/23		☐
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How will you track your progress? Where will you find the information? How often will you check in?

S M A T

The Used Truck Sales manager will report to senior management on pricing strategy, and customer interest and any outside dealer interest in a recurring weekly meeting. A report in the DMS will be sent to all senior management.

Potential Obstacles?

A

Falling spot market rates, increasing new truck inventory and age of vehicles will continue to diminish the value of these trucks. Changes in California emmission laws may also affect sales.

Potential Solutions?

A

We will discuss the value, regardless of the cost each week and continue to price below market value to move trucks as fast possible.

BOTTOM LINE! What is the financial impact (expressed in dollars) of achieving your goal?

S M R T

The financial impact will be to cap the loss on the vehicles at $360,000 if we sell them all by 9/1/2023.

CONGRATULATIONS! You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

S A

The weekly meetings will continue. Our used truck inventory has been based mostly on trades. We need perform ongoing market analysis and look to purchasing used vehicles that are desired. Our used truck department manager will be required to report what the market is requesting and where he is looking for these trucks weekly.