



Financial Management Objective Homework

**Student
Class #**

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| Wade Memcott |
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Name:

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| N336 |
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Academy

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

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|------------------------------|
| July 31 st , 2018 |
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by

**Provide the relevant
composite data**

| Department | Month | Page | Column |
|-----------------|----------|------|--------|
| Pre-owned sales | February | 21 | 12 |

Action Plan for Naples Nissan

1. What is the area of focus? The area of focus will be the pre-owned sales department and increasing the gross as a percentage of sales.

2. What is the proposed plan? How will you achieve it? I am proposing that we will increase our gross profit as a percentage of sales in the pre-owned sales department by 2% points from 9% to 11%

- We plan to achieve our plan by implementing new processes and altering our advertising.

- Our radio advertising currently is new car pricing and payments and is transitioned to a \$5,000 minimum for any trade in

- We signed up with Auto Trader/KBB to open a trade in marketplace/ Kbb buy center to purchase vehicles off the street instead of only going to the auction or taking vehicles in on trade. If we do not agree with the appraisal we can take the vehicles directly to Manheim and receive a check for the amount that the Instant Cash Offer was for, therefore it will not affect our wholesale profit or loss.

- We are pricing our pre-owned vehicles in the top 20% of market to attract more customers faster.

- We hired a new media company that will not only take 20+ pictures of the pre-owned vehicles but will also shoot a real video walk around of each pre-owned vehicle, this gives the customers a real view of the options and colors of the in stock unit.

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

- We will track progress by every morning reviewing the ACV from the previous day's car deals to make sure that the sales manager did not over inflate the ACV in order to make the deal.
- During this same meeting we will be doing what we call a production meeting in which we talk about deals that we missed from the previous day's traffic we will review trades and offers from customers on deals that we did not make to see if there is an opportunity that we missed.
- On a daily basis we will be tracking the gross profit of the department to make sure we are on track for the monthly goal of being at guide.

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

- Employees that will be involved are the KBB buy center manager, Sales managers, wholesale manager, General Sales Manager, and General Manager.
- Yes everyone will need to be trained on how to handle the leads from the buy center as well as the process for how we will handle walk ins and service customers looking to sell their car, everyone will go through the same process. They will also need to understand what to do in the event that we do not want the vehicle the customer is looking to sell.

5.Is there a cost, or estimated cost for implementation?

- There is a cost for opening the KBB buy center on a monthly basis we will be paying \$4,200 for the opportunity to receive the leads. The rest of the costs such as advertising and software such as vAuto we currently have been using so I would not consider them an additional cost.

6.Projecting date of completion?

- My goal is to have reached our goal of being at 11% and on our way to 12% by July 31st 2018