



Financial Statements

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Another month end is here. We didn't have a great month, but we held our own. I have the start of a headache and my mood should be considered unpleasant. Not because of the endless nights awake going over the counts and the gross profit of each deal then to find out at the last minute the numbers are wrong, but the fact that tomorrow I'll be dealing with my Sales Managers on this very topic. I used to enjoy walking to each employee, handing them their payroll check and thanking them for the nice job they are doing... Now, I spend that time in my office going over the gross, expenses and overall financial statement with the managers. Instead of the enjoyment of a job well done it is a ration of endless heat. By the time payroll is over I'm exhausted, the manager's brains are fried and the office staff has locked their door.

From what seems a lifetime in dealership accounting offices, working with a wide variety of personalities there are a few offices where the accounting personnel are pushing the envelope when it come to stress levels. In these dealerships I've seen untrained accounting personnel just doing their job not understanding the entire process of their function. They just put the widget in the hole because that is what they were taught by the previous clerk who was taught by the previous clerk. And then we wonder why the gross is not what was expected by 40k and our expenses just went up 30k , then when we ask why it takes a couple of days to get the answers. For those of you that are blessed with a well run well trained department you are most fortunate as someone along the line has done their job in training your staff very well.

If this is happening in your business it's time to stop the madness before you loose your best people.

Now, more than ever, with the economic downturn we are experiencing, the need for a well trained and processed based accounting department is going to become your most effective tool in expense management and profit leak reduction. We will require our accounting staff to be trained in managing the

workflow, auditing the data, and analyzing the output. The training, procedures and process implementation that your accounting department receives, will create the skill set and discipline to service your business with more proficiency and efficiencies... When an individual understands their job and how it affects the business as a whole it will facilitate effective communication between departments. No surprises at the end of the month. You will be informed as you go to make the necessary adjustments to your business plan. This is not a Polly Anna dream; this is a reality that can happen in a very short period of time.

Your CPA firm can refer you to or be able to provide you a professional who will be able to facilitate a successful program. They will be able to interview your staff and observe the processes. You will be amazed at the information that your staff knows and equally amazed at what they do not know or are frustrated with. Your professional will be able to identify the areas of training your staff will require along with the process and procedures that will need to be developed to make your financial data accurate. With your department managers having confidence in the numbers their target will be in clear view.

Each desk in the accounting department has a unique set of responsibilities that go hand in hand with State and Federal compliance laws as well as the ongoing changes of your state's DOL. Taxation issues, HR concerns, collection of your money, etc., it all is in the hands of the individuals you have working in your office. Be sure to give autonomy to the facilitator of this process to ensure the success of the program. You will find that a 6 - 12 week commitment to a training program in dealership accounting and one on one discussion time on individual responsibilities and tasks, where success can be measured, will not only generate the results beyond your expectations, but also bring your staff closer together.

All business plans are accomplished when the management's eye is constantly on the target. Without financial statements that you can represent and warrant you leave yourself in a very vulnerable state. The steps you take now will not only protect your business in the areas of compliance, but, have your business in "ready" status for any expansion or exit opportunity that may be on the horizon.